Daily Report

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Bulgaria's Ganev Addresses Yugoslavia Conference

AU1612213692 Sofia BTA in English 2054 GMT 16 Dec 92

[Text] Geneva, December 16 (BTA)—Bulgaria believes in the optimal utilization of that unique mechanism—the International Conference on the Former Yugoslavia, which combines the potential of the United Nations and the European Communities and is aimed to find a settlement of the Yugoslav crisis through political means, Bulgarian Foreign Minister Stoyan Ganev, president of the 47th session of the UN General Assembly, said in his speech delivered at the expanded session of the International Conference on the Former Yugoslavia Committee held in Geneva.

Urgent measures should be taken to send ample humanitarian aid to Bosnia-Hercegovina using the possibilities provided for in the UN Security Council resolutions, to guarantee the observance of the ban on flights over the territory of Bosnia-Hercegovina and to establish security zones.

We believe, however, that certain preventive measures could and should be considered in order to prevent a further escalation of the Yugoslav conflict, Foreign Minister Ganev said. The earliest possible recognition of all the former Yugoslav republics within their frontiers would enhance the opportunity of finding a political solution in conformity with the international law and would play an important role in this respect. In order to dispel mutual distrust and further destabilization, the countries neighbouring on the former Yugoslav republics should recognize their territorial integrity and the inviolability of their borders in compliance with the Charter of the United Nations and the Helsinki Final Act, the Bulgarian foreign minister stressed.

The commitment of all Balkan countries and of the other countries neighbouring on the former Yugoslavia by concluding an agreement on their non-participation in any military operations in the former Yugoslavia would be of primary importance for the stability in the Balkans, Mr. Stoyan Ganev said.

Mr. Ganev reminded once again that Bulgaria's direct losses arising in connection with the implementation of UN Security Council Resolution 757 in June-December 1992 totalled 1,200 U.S. dollars [figure as received], adding that in result of it Bulgaria is threatened by serious economic destabilization. He called upon Bulgaria's partners to give these facts their full attention and consider the taking of some measures for helping Bulgaria. At the same time Mr. Ganev underlined that Bulgaria is firmly decided to continue its policy of active participation in the joint efforts for resolving the conflict in the former Yugoslavia and for safeguarding peace in the Balkans and Europe. According to Foreign Minister Ganev, the holding of a special meeting within the framework of the Geneva forum to discuss the implementation of sanctions against Serbia and Montenegro and the provision of organizational, material and technical aid for the purpose of their strict observance would be instrumental for finding a political solution to the crisis.

Black Sea Economic Group To Promote Cooperation

AU1012201592 Sofia BTA in English 1925 GMT 10 Dec 92

[Text] Anatolia, December 10 (BTA)—Bulgaria is interested in the promotion of active and constructive bilateral and multilateral cooperation consistent with its capabilities and priorities, said chief Bulgarian delegate Dimitur Ikonomov, deputy minister of foreign affairs, addressing the meeting of the foreign ministers of the states signatories to the Declaration on Black Sea Economic Cooperation.

"In our view, at this stage of the development of Black Sea economic cooperation we should strictly observe the underlying principles and approaches in the declaration, viz. stage-by-stage progress, reckoning with the participating countries' actual opportunities and interests, institutional flexibility and openness to the CSCE and the EC," the Bulgarian delegate observed.

He emphasized that Black Sea economic cooperation need not turn into a closed regional economic and political group and stand in the way of the foreign economic and foreign political priorities of the participating countries.

"We should not commit ourselves to attempts to seek solutions to certain questions on a multilateral basis before they have been solved and legally regulated on a bilateral basis," Mr. Ikonomov said in his statement, BTA learnt from Foreign Ministry spokeswoman Veneta Momcheva.

Bulgaria proposes to host an international research conference on the economic aspects of Black Sea cooperation next year and that an international fair and business centre for Black Sea economic cooperation be set up in Varna, Ms. Momcheva said.

Among the results of the meeting, she singled out the decision that the presidency should rotate to Bulgaria in the second half of 1993. This is an acknowledgement of Bulgaria's sensible and principled policy reckoning with realities. At the same time, this decision is motivated by this country's active and constructive stand in outlining the basis of Black Sea economic cooperation and the further concrete steps in this direction, the Foreign Ministry spokeswoman emphasized.

SDS, DPS Continue Talks; Agreement Expected

AU1612172292 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 16 Dec 92

[Text] At their first meeting in Sofia today, the delegations from the Union of Democratic Forces [SDS] and Rights and Freedoms Movement [DPS] discussed the main points in the resolutions adopted at the SDS national conference on Sunday, 13 December, and the meeting of the DPS parliamentary group last night.

The DPS side presented a number of additions and explanations regarding the text connected with the National Intelligence Service and declassifying the personal files. These points, together with the remaining five points in the previous version of the draft agreement, will form the basis of an addendum to the political agreement document. According to DPS leader Ahmed Dogan, this agreement will be signed tomorrow or on the following day.

Dogan 'Satisfied' With Start of Talks

AU1612181292 Sofia BTA in English 1717 GMT 16 Dec 92

[Report by Tanya Tsekova]

[Text] Sofia, December 16 (BTA)—The ethnic Turks' Movement for Rights and Freedoms (DPS) and the Union of Democratic Forces (SDS) started talks today. The two political forces are expected to sign an agreement to restore the parliamentary majority and try to form a coalition government on the DPS's mandate after they failed to do so on the SDS's mandate a month ago.

DPS leader Mr. Ahmed Dogan today told the press he was satisfied with the beginning of the DPS-SDS talks. According to him, today's meeting focused on the decisions adopted by the SDS national political conference on December 13 and the resolution of the parliamentary DPS released last night. "There are very few differences between the two documents, so we had to discuss only some additions intended to specify the text," Mr. Dogan said.

The seven terms for the conduct of talks set by the SDS would probably form a subsection or supplement to the SDS-DPS political agreement, Mr. Dogan said. In his opinion, the document would be signed tomorrow or the day after tomorrow, at the latest. Only then will the nomination of a prime minister and formation of a cabinet be discussed. Mr. Dogan said that DPS had no objections to the SDS nominating the prime minister provided this nomination was acceptable for both parliamentary forces. The future cabinet would implement a slightly updated version of SDS election campaign platform, the DPS leader announced after President Zhelev assigned him to form a cabinet yesterday.

The Union of Democratic Forces also insists that an SDS-DPS agreement is signed before the cabinet issue is put forward for discussions. The delegation appointed to conduct the talks with DPS told a meeting of the parliamentary SDS today that the talks were proceeding normally. The SDS MP's [members of parliament] recommended the National Coordinating Council to move alternative nominations for the premiership which needed to be discussed at a joint meeting with the parliamentary SDS.

The Alternative Social Liberal Party (ASP) affiliated to the SDS today released a declaration insisting on the conduct of direct talks between the SDS and DPS parliamentary factions without any preliminary terms whatsoever. This party declares itself against early parliamentary elections and calls on the MP's to oppose the attempted aggravation of the political crisis in Bulgaria. The ASP upholds the most liberal trends in SDS and a formal proposal for its expulsion from the coalition was moved yesterday.

The DPS intends to confer with extraparliamentary forces today. The DPS-SDS talks will probably resume tomorrow.

DPS Talks With BSP on Support for Coalition

AU1612213492 Sofia BTA in English 2100 GMT 16 Dec 92

[Text] Sofia, December 16 (BTA)—Later this evening, the Movement for Rights and Freedoms [DPS] held almost three-hour talks with the parliamentary faction of the Bulgarian Socialist Party (BSP). BSP floor leader Mrs. Nora Ananieva stated after the meeting that the Socialists' support to a future DPS-SDS [Union of Democratic Forces] coalition government required certain guarantees that the government's policy would change in the sense that it would protect the interests of a wider circle of people. According to Mrs. Ananieva, the DPS was ready to initiate joint discussion on a number of specific issues, which suggested that the two parliamentary factions would meet a couple of times again.

The Movement for Rights and Freedoms today discussed its cabinet formula with the Alliance for Social Democracy in the BSP.

Dogan, Party Leader Discuss Future Cabinet

AU1612185092 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 16 Dec 92

[Telephone report from Olga Ivanova in National Assembly building in Sofia—live]

[Text] Today Ahmed Dogan, leader of the Rights and Freedoms Movement [DPS], announced that he would start consultations with the extraparliamentary forces. In actual fact, he started his meetings with representatives, parties, and movements in parliament—that is, with representatives of the individual political forces. One of his meetings was with the Alliance for Social Democracy [OSD], at which he discussed with OSD representatives for almost an hour and a half the intentions of the DPS regarding a possible coalition government.

As Chavdar Kyuranov [OSD leader] told me, the definition of the executive team as a government of national

responsibility deserves serious consideration. The OSD considers that the additions proposed by the DPS to the seven conditions presented by the Union of Democratic Forces [SDS] coalition are sensible. The change in the composition of the SDS delegation conducting the negotiations makes both the DPS and OSD feel somewhat optimistic, Kyuranov declared.

DPS leader Ahmed Dogan also had a meeting this afternoon with Lyubomir Sobadzhiev of the Civic Initiative Movement. Mr. Sobadzhiev also voiced his approval of the idea of a government of national responsibility.

Ahmed Dogan is due to hold further meetings this evening.

SDS Accused of Curtailing Caretaker Cabinet

AU1512130692 Sofia KONTINENT in Bulgarian 12-13 Dec 92 p 6

[Genka Markova commentary: "One Additional Ace Up Their Sleeve"]

[Text] Quite recently, the outgoing cabinet submitted to parliament a bill on the prerogatives of a caretaker government. Neither the timing nor the authorship of the bill are accidental. Negotiations between the Union of Democratic Forces [SDS] and the Rights and Freedoms Movement [DPS] are under way, while the DPS is expected to be entrusted with an exploratory mandate to form a government. The appearance of such a bill can be interpreted as the demonstrative rejection of all readiness to compromise on the part of the SDS. It is an attempt to draw an additional ace in connection with the aforementioned negotiations, which, as a matter of fact, predetermines them to fail. The forthcoming negotiations will be nothing but a show performed for the benefit of the public, while we are waiting to see who is likely to be blamed for their failure and who might be held responsible for pushing the country toward early elections.

On a short-term basis the bill unequivocally points at active preparations for elections under the pretext of concern about Bulgaria's survival during the winter months. The bill envisages the caretaker cabinet being tied hand and foot. Only from time to time will it be allowed to speak, and then only to express its approval and speed up the elections. According to the bill, such a cabinet is not supposed to touch the administrative functionaries and police officers appointed to key positions by the outgoing government with as much as its little finger. The caretaker government will not be entitled to adopt any decision at all on the country's economic stability, according to the bill. Nevertheless, the show goes on, for the time being at least, and the final curtain of the elections is still part of an uncertain future.

Alleged Poisoning of Intelligence Chief Probed

AU1612162992 Sofia BTA in English 1546 GMT 16 Dec 92

[Text] Sofia, December 16 (BTA)—The National Investigative Service has learned that an attempt was made to murder National Intelligence Service chief General Brigo Asparukhov and president's spokesman Valentin Stoyanov, Lieutenant Colonel Kostadin Bogatsevski, National Investigative Service deputy director and spokesman, informed BTA. General Asparukhov, diagnosed as poisoned, has been in hospital since December 1, today's 24 CHASA reported. The National Investigative Service is in possession of medical records that contain sufficient proof to open preliminary investigative proceedings.

The Sofia Investigative Department opened its preliminary investigative proceedings today, December 16, 1992.

Intelligence Chief Discharged From Hospital

AU1612194692 Sofia BTA in English 1856 GMT 16 Dec 92

["Attempt To Murder National Intelligence Service Chief and President's Spokesman"—BTA headline]

[Text] Sofia, December 16 (BTA)—Later today BTA learned from the doctor in charge of General Asparukhov's case, toxicologist Nikola Aleksandrov, that the general had been discharged from hospital today. Dr. Aleksandrov, associate professor and chief of the Military Medical Academy, added that the patient's condition was good.

Mr. Valentin Stoyanov, spokesman for the president, is recovering, but will remain in the hospital for some time.

UN Envoy Speaks on Bosnia-Hercegovina Crisis

AU1612134092 Sofia BTA in English 1228 GMT 16 Dec 92

[Text] New York, December 16 (BTA)—During the discussions of the situation in Bosnia-Hercegovina at the UN General Assembly the Bulgarian representative expressed this country's great concern over the deepening of the crisis and the gross violations of human rights in that region, the Foreign Ministry announced. He stressed the great danger of a spreading of the conflict to other parts of the former Yugoslavia which would threaten security not only in the Balkans but in Europe as a whole too.

Dwelling on the possibility of the use of force, the Bulgarian representative stressed that the responsibility for taking such a step should be taken by the UN General Assembly and that Bulgaria would not take part with armed forces and armaments. He called on the other Balkan countries to adopt a similar approach.

The Bulgarian representative called on the international community to render assistance to the countries suffering great losses from the observation of the embargo, including Bulgaria. On Bulgaria's behalf it was proposed that the UN General Assembly addresses an appeal to all member countries of the world organization to work out measures for rendering economic and financial assistance.

Text of Czech-Slovak Agriculture Treaty Published

AU1612141092 Prague HOSPODARSKE NOVINY in Czech 10 Dec 92 p 12

["Treaty Between the Czech Republic Government and the Slovak Republic Government on Mutual Relations and Principles of Cooperation in Agriculture, Food Industry, Forestry, and Water Economy Under the Conditions of the Customs Union"]

[Text] The Czech Republic Government and the Slovak Republic Government (hereafter "the contracting parties"), represented by the Czech Republic Ministry of Agriculture and the Slovak Republic Land Management Ministry—guided by the wish to achieve the objectives and follow the principles of the Treaty on the Establishment of a Customs Union Between the Czech Republic and the Slovak Republic dated 29 October 1992 (hereafter "Treaty on the Customs Union") and other treaties concluded between the contracting parties—determined to develop their relationship on the principle of mutuality in the interest of the harmonious development and prosperity of agriculture, food industry, forestry, and water economy of the contracting parties, have agreed on the following:

Part One

Economic Policy in Agriculture

Article 1:

(1) Regarding third countries, the contracting parties shall exercise trade policy in accordance with the provisions of the Treaty on the Customs Union.

(2) In implementing the common trade policy in the framework of the Treaty on the Customs Union, the contracting parties pledge to respect and apply the following principles:
—a unified import and export licensing system;
—a unified system of non-tariff protection (unified system of compensatory payments).

(3) The partition of the quotas in the EC Association Agreement and in the bilateral EFTA agreements is an integral part of this treaty.

(4) The contracting parties will draft a joint procedure for renegotiation of treaties with the CIS member states.

Article 2:

(1) The coordination of the agricultural policies of the contracting parties under Article 1 applies to export subsidies, tax policies, prices, subsidy policy, operations of the market regulation funds, and other market-organization tools.

(2) Agricultural policy coordination will consist of a mutual exchange of information, consultations, and a coordinated approach to matters of common interest. The coordinated approach may have a common and uniform character.

(3) The contracting parties shall inform each other promptly of prepared regulatory intervention in the market so that both contracting parties may thoroughly assess the situation with the objective of finding a solution acceptable to both parties.

(4) The economic policy tools used by the contracting parties in the framework of the coordinated approach must not hamper the attainment of the goals of the Treaty on the Customs Union.

Article 3:

(1) The contracting parties will submit, after mutual consultations, a joint draft proposal on the assumption of the commitments accepted in the Uruguay Round.

(2) The contracting parties shall also cooperate in the transfer of the claims and commitments arising from the international treaties signed by the CSFR and the commitments resulting from its membership in international organizations wherever applicable. The contracting parties pledge to jointly meet the commitments that cannot be divided, or the partition of which would not be expedient.

(3) The contracting parties shall choose an approach facilitating the fast and smooth process of renegotiation in the EC within the framework of the EC Association Agreement and the bilateral EFTA countries agricultural agreements.

(4) The contracting parties shall honor without changes the Supplement to the Treaty on the CSFR-EFTA Trade regarding processed goods. They shall inform each other of potential changes to the schedule for the gradual removal of the non-agricultural portion of customs and shall submit a joint proposal to individual EFTA countries.

(5) In cooperation with the Federal Ministry of the Economy the contracting parties shall complete the talks on bilateral agreements of the so-called Visegrad Three. Subsequently, they shall choose the procedure as described in Article 3.

Part Two

Article 4:

(1) The contracting parties pledge to exchange fundamental information concerning policies in agriculture, the food industry, forestry, and water economy.

(2) The contracting parties pledge to consult each other on changes to their laws and other legal regulations so they do not hamper the objectives of this treaty but lead to harmony between their legal codes and the code of the EC.

(3) The contracting parties will establish external working teams as needed to deal with the tasks arising from this treaty and a permanent working body at the standing secretariat of the Customs Union Council (Committee for Coordination of Economic Policies in Agriculture)

(4) In the event of a dispute or unilateral measure by one of the contracting parties, in accordance with Articles 36 and 37 of the Treaty on the Customs Union, the appropriate proposals and measures shall be assessed in the Committee for Coordination of Economic Policies in Agriculture prior to their submission to the Customs Union Council.

Article 5:

(1) Mutual relations and cooperation between the contracting parties in the field of veterinary medicine or plant protection shall be regulated by a special treaty between the contracting parties. In the meantime, the practice shall be regulated by an agreement between the central agricultural institutes for inspection and testing, and the state veterinary administrations of the contracting parties. Similarly, the appropriate bodies of the contracting parties shall conclude an agreement in the sphere of food inspection and state testing.

(2) Until a specific treaty is signed, the contracting parties shall implement in cooperation with the Interior and Environment Ministries joint measures concerning the administration and utilization of common or border bodies of water, and flood damage. They shall inform each other of measures implemented in extraordinary situations in the forests on their common border.

(3) The contracting parties consider beneficial their cooperation in cultivation of plants, the breeding of animals, testing, research, and education. The details shall be worked out in special treaties.

(4) The coordination of the operation of market regulation funds of the contracting parties shall be defined in a specific treaty.

(5) The land funds of the contracting parties shall conclude an agreement in the interest of reciprocal facilitation of settling from their land holdings certain property claims by citizens of the contracting parties.

Part Three

Interim and Closing Provisions

Article 6:

(1) The contracting parties shall effectively cooperate through their Ministries of Agriculture in the preparation and implementation of measures resulting from the change in the constitutional arrangement of the CSFR. In the framework of a mutual agreement these ministries shall cooperate with the relevant bodies of the CSFR and the contracting parties in the transfer of the powers and operations of the CSFR in the area of registration, licensing and recognizing new hybrids and breeds, legislation and standardization, including food laws, the chief veterinary surgeon and chief plant protection officer, foreign trade and foreign relations, foreign aid, and science and research.

(2) The termination of the operation of the Federal Market Regulation Fund shall be controlled by the contracting parties through their representatives in its Council in accordance with the relevant Federal Assembly legal measure.

(3) The aforementioned ministries shall in the framework of their powers cooperate with the appropriate bodies in settling the issue of the property of the federal material reserves.

(4) The contracting parties shall jointly review the project proposed within the framework of the PHARE [Economic Reconstruction Aid for Poland and Hungary] program in 1992 as it pertains to agriculture in 1993. After consultations with EC guarantors, such an approach shall be adopted as allows for the smooth finalization of the final projects with the objective of rapidly drawing on the funds allocated by the EC for these projects.

(5) The allocation of property and other relevant issues in the implementation of sections (1) to (4) of this article shall be described according to the individual areas in specific protocols. The draft protocols shall be prepared in collaboration with the appropriate bodies and organizations of the CSFR and the contracting parties so as to be concluded to take effect on 1 January 1993.

Article 7:

(1) This treaty remains in effect indefinitely and takes effect on 1 January 1993.

(2) The treaty becomes invalid on the day the Treaty on the Customs Union is abrogated.

Article 8:

Set down in Bratislava on 23 November 1992 in two copies, each in the Czech and Slovak languages, both versions being equally authentic.

Ministers Agree on Federal Property Division

AU1612162592 Prague CTK in English 1638 GMT 14 Dec 92

[Text] Prague Dec 14 (CTK)—Czechoslovak, Czech and Slovak Interior Ministers Petr Cermak, Jan Ruml and Jozef Tuchyna signed today an agreement on devolving Czechoslovak property, controlled by the Federal Ministry of the Interior, to the Czech and Slovak Republic's Ministries of the Interior.

The ministry will do only what is necessary until the end of the year, Cermak told journalists after a two-day session of the ministers.

The ministers also signed accords providing for the division of documentary, code, telecommunication and other services and for joint use of archives.

Some 4,600 people should be transferred from the Federal Ministry to the Slovak Ministry of the Interior, about 13,000 to the Czech Ministry of the Interior.

Parliament Approves Constitution of Czech Republic

LD1712095992 Prague CTK in English 2053 GMT 16 Dec 92

[Text] Prague Dec. 16 (CTK)—The Czech National Council (Parliament) tonight approved the draft Constitution for the Czech Republic.

Of the 198 deputies present, 172 voted in favour, 16 against and 10 abstained. A three-fifths majority (120 votes) was required for the passage of the Constitution in the 200-member legislative body.

Formal Promulgation of Czech Constitution Praised

LD1712105492 Prague CTK in English 0856 GMT 17 Dec 92

[Text] Prague Dec. 17 (CTK)—The Presidium of the Czech Parliament last night promulgated the Czech Constitution, adopted by the parliament earlier in the evening, and the Reception Law, and said the charter of fundamental rights and freedoms of January 1991 is part of the constitutional order of the Czech Republic.

Under the Reception Law, the Czech Parliament and the government take over the powers of the Federal Parliament and Government on January 1, 1993, when the Czechoslovak Federation ceases to exist.

Former Czechoslovak President Vaclav Havel, who officially announced in November he will run for the Czech presidency, sees the adoption of the Czech Constitution as a big success of the Czech Parliament, the Czech Government and the whole Czech Republic.

It is most important for the new independent (Czech) state to have a constitution right from the very beginning of its existence (January 1, 1993), Havel told CTK late last night.

This will accelerate its diplomatic recognition and strengthen its international stature. The adoption of the Constitution places building a really democratic legal order on a firm basis and creates conditions for the normal functioning of all state bodies, Havel said.

Czech Parliament chairman Milan Uhde told CTK Wednesday [16 December] night that the foundations of the Czech Republic are formed not only by the letter of the Constitution, but also by the consensus reached by the parliament after long months of mutual clashes, of a search which has not been an easy one. However, no other way leads to consensus in a democratic society, he stressed.

Czech Premier Vaclav Klaus said that the vote on the Constitution showed that there is common will in the parliament which is important for the further developments in the Czech Republic.

Klaus said two of the three most important things from the point of view of the state setup have already been fulfilled: The adoption of the Constitution and of the constitutional law under which the Czech Parliament and the government take over the powers of the Federal Parliament and Government in January. The law was passed on Tuesday [15 December].

The third thing—the filling of a provisional senate as the second chamber of the Czech Parliament—will not be easy to solve, Klaus said.

On Wednesday, representatives from most Federal and Czech parliamentary parties drew up three proposals to transfer federal deputies to the proposed Czech senate. The date for discussion of the proposals has not yet been set.

Today, the 10th session of the Czech Parliament continues to discuss a draft law on state symbols of the Czech Republic and a draft declaration of the Czech National Council to be addressed to the nations and parliaments across the world.

Czech Premier Discusses New Constitution, Economy

LD1712100792 Prague Stanice Praha Radio Network in Czech 1808 GMT 15 Dec

[Interview with Czech Prime Minister Vaclav Klaus by correspondent Vaclav Musilek in Prague; date not given—recorded]

[Excerpts] [Musilek] Mr. Prime Minister, the Czech National Council Constitutional and Legal Committee debated for one week in Lany the draft Constitution of the Czech Republic. How would you assess the results?

[Klaus] I have mixed feelings about it. What has happened is no tragedy and there is no point in talking about it in these terms. The country will not fall apart if the government-proposed draft is passed without any changes and it will not fall apart if the Constitutional and Legal Committee's draft is adopted. Lots of the changes were, so to speak, intentional acts. [passage omitted]

Hundreds of changes have been made to the draft constitution that, in my view, were completely unnecessary and do not really mean anything. But they might make things vague, say some things less clearly, etc. I am not trying to say that a few of the changes were not for the better but in any case the [word indistinct] initiative is, in my view, a bit excessive. They are not things of fatal

importance but I think that some of the changes to the government draft were really not necessary. [passage omitted]

[Musilek] The Army is indisputably a part of the state. Mr. Prime Minister, what is the government's idea of its command and activity?

[Klaus] I cannot say anything special about it. There are no plans to fundamentally change the logic of the Defense Ministry and the present way of its work.

[Musilek] Ivan Kocarnik, the deputy prime minister and minister of finance, said in the past days that this year's economic development in the Czech Republic is a signal that the economic recovery has begun. The last time we talked about economic prospects you were very slightly optimistic. Has your optimism increased in view of the new figures?

[Klaus] The new figures really do not show anything epoch-making. You all know that since April we have been talking about reaching the bottom and the first signs of recovery. Since then, month after month, this has been confirmed. Naturally, the recovery is varied. The strongest recovery has occurred in personal consumption. A very strong recovery has occurred in the building and construction industry. The industrial output has so far seen a very slight recovery. [passage omitted] The upward trend of the economy is absolutely evident. What is important now is not to allow this trend to stop after 1 January. [passage omitted]

Slovak Minister on Priorities, NATO Cooperation

LD1712110492 Prague CTK in English 0858 GMT 17 Dec 92

[Text] Brussels Dec. 17 (CTK correspondent)—Building a market economy and a stable system of plurality democracy, and close cooperation with NATO and all countries in ensuring security in Europe are the new Slovak state's priorities, Slovak Foreign Minister Milan Knazko told a press conference in Brussels on Wednesday.

Slovakia's possible membership of NATO will be a time-consuming process, Knazko said.

On the Czechoslovak-Hungarian dispute over the Gabcikovo waterworks on the Danube, Knazko told journalists that Slovakia will accept any variant worked out by EC independent experts.

Knazko said Hungary must realise that no proposal to pull down the waterworks—Hungary's only demand—figures among the experts' variants, Knazko stressed.

France To Help Slovakia Set Up Financial System

LD1712103692 Prague CTK in English 0836 GMT 17 Dec 92

[Text] Bratislava Dec. 17 (CTK)—An agreement on French assistance to Slovakia in the area of governmental finances was signed on Wednesday [16 December] by French Deputy Finance Minister Bernard Vieux and Slovak Finance Minister Julius Toth.

The agreement concerns all aspects of budget preparations, from projection to the efficient collection of taxes. It involves not only state but also local budgets as well as posting of French specialists to Slovakia to help with their expertise.

Returned Military Equipment Arriving in Slovakia

LD1712111192 Bratislava Slovak 1 Television Network in Slovak 2030 GMT 16 Dec 92

[Excerpts] Several thousand tonnes of infantry and artillery ammunition are arriving in Slovakia from Bohemia on the basis of intergovermental agreements on the division of assets. An average of 24 railcars are unloaded every day in one of the unloading centers of the military training ground Las. Soldiers from various units of the Military Command East are working nonstop, from 0600 until midnight, including weekends, so they can stow away the ammunition by the end of next June. [passage omitted]

Journalists also toured an area where the military equipment earmarked for scrapping is gathered. Parked here at present are 800 tanks, 400 armored vehicles, 400 rocket launchers and howitzers. Their actual scrapping began 1 July, when the Vienna agreement on the reduction of conventional armaments and armed forces in Europe was ratified.

[Begin recording] [Unidentified speaker] This year we sent 37 tanks to the repair works in Novy Jicin [north Moravia]. In the coming year we will scrap up to 300 items of various equipment. These are tanks, armored vehicles, and discarded rocket launchers. We shall scrap 136 rocket launchers in cooperation with the repair works in Moldava.

[Unidentified correspondent] Would it not be possible to sell some of these tanks or armored vehicles?

[Same unidentified speaker] They could be sold, but it is not an Army matter. It is a matter for our politicians, for the foreign minister, and for economists. If they negotiate contracts on the possibility to sell this equipment, the Army will fulfill this task.

[Correspondent] Although the sale is contemplated, the equipment in question is obsolete. However, it is still operational.

Slovak Social Democrats Consider Coalition

AU1712084892 Bratislava NARODNA OBRODA in Slovak 14 Dec 92 p 3

[Interview with Jaroslav Volf, acting chairman of the Social Democratic Party in Slovakia, by Julius Gembicky in Bratislava on 12 December: "Not Losing Dubcek's Hallmark"]

[Excerpts] The 12 December session in Bratislava of the Central Council of the Social Democratic Party in Slovakia [SDSS] sought an answer to the question of whether the supreme executive body of this, the smallest Slovak parliamentary party, will elect a new chairman to head the party after the unfortunate death of Alexander Dubcek. [passage omitted]

[Gembicky] What shape is your party in after the sudden demise of your leader? [passage omitted]

[Volf] In the postcommunist countries, a swing to the right would be artificial, and in this region unfeasible. The right wing lacks a natural base here—there is no market for it, and entire generations of people are used to a certain paternalism on the part of the state. Therefore, I believe that a right-wing conservative or a neoliberal movement has no chance in the transformation of this society. People are not going to accept it. The election results confirm what I am saying. Many people of the social democratic persuasion are in the Movement for a Democratic Slovakia [HZDS], in the Party of the Democratic Left, and they also are among those who have not yet found their platform. If these people could be brought together, social democracy would stand a good chance. [passage omitted]

[Gembicky] How would you characterize the HZDS and its position in the Slovak political spectrum from the point of view of your party?

[Volf] I do not want to get involved in deep political analyses, but the first that comes to mind is that the HZDS is a purpose-oriented movement. It is neither a right- nor a left-wing movement, but rather a movement unified by its purpose. [passage omitted] Its election program was clearly leftist. Not even social democrats could criticize the HZDS over its economic and social policies. After all, Komarek from the Czechoslovak Social Democratic Party and Filkus from the HZDS were very close in their concepts of the economic program. The program principles were committed to the people. It has transpired, however, that this program has probably not been realistic. [passage omitted]

Thus, a sudden swing to the right can be detected in the economic policy. [passage omitted]

[Gembicky] It seems, Mr. Volf, that the Party of the Democratic Left (SDL) and the SDSS decided to leave all the burden of responsibility for the developments in Slovakia to the HZDS alone. Would it not be wiser, in terms of higher interest, even before the end of the year, to proffer the Movement a helping hand, perhaps together with the SDL?

[Volf] Although that is an attractive option from purely selfish party interests, it would not be a responsible one. I believe that the SDL thinks in a similar manner. If the HZDS showed some good will in these difficult times, apparently the SDL would be willing to offer a helping hand as an equal partner. If, however, the defining factor in the relationship is the arrogance of the stronger party, we are not going to force our help on anybody.

[Gembicky] How did your members respond to the fact that, despite the opposition by the SDSS leadership to the Law on the Demise of the Federation, three of your deputies voted for its adoption? How can one explain this infraction? Could it be the attractive prospect of creating a second chamber in the Slovak Parliament?

[Volf] I am always depressed when ulterior motives are sought in every act. I can say frankly, however, that no agreement was reached between us and the HZDS prior to the vote for such or other favors. They talked with us as with any other party represented in the Federal Assembly. [passage omitted]

[Gembicky] How did the untimely demise of your leader affect the homogeneity of your party?

[Volf] Dubcek was a personality that often brought together even people with adverse opinions. We do not have any other personality like that in the SDSS. Therefore, we face the dilemma as to whom to place at the helm of the party. [passage omitted] Thus, we—in the Central Council—decided to leave the post of the party chairman open until the October SDSS congress. By then, the expected shaping of the Slovak political scene will have reached such a point that the post could be filled by another personality.

[Gembicky] There is not enough room for three social democratic entities even in the colorful Slovak political spectrum. The HZDS also once applied for admission to the Socialist International. What is the time schedule for the integration process of the social democratic parties in Slovakia that the SDSS and the SDL intend to follow?

[Volf] It is true that in the long run there is not enough room for several parties with social democratic programs. We are well aware of that. It could result in either a weakening of the political platform or in the end of one of them. Under no circumstances, however, would we consider a simple merger with the SDL. At the same time, we know we must cooperate with that party. Even our western partners welcome this cooperation and our mediator role between them and the SDL. Our idea of the immediate future coincides with making room for a wider coalition partnership of several social democratic forces in Slovakia. [passage omitted]

Slovak Money Exchange Statement Causes Concern

AU1612195792 Bratislava SLOVENSKY DENNIK in Slovak 15 Dec 92 p 2

[("ze)"-signed commentary: "Money"]

[Text] At a meeting with citizens in Hlohovec last Friday [11 December], two of the Slovak Republic's most senior representatives—Ivan Gasparovic and Vladimir Meciar—addressed the issue of the future Slovak currency. What did we find out? The government is, apparently, preparing to exchange money at a ratio of one to one, but only money deposited in banks. Money in free circulation (that is, pensions, salaries, and unemployment support) will be exchanged at a different ratio.

Pensioners were thoroughly shaken by this. The exchange date is not yet known; so, what if they receive their pension the day before? They still remember 1953, when many people lost virtually their life's savings. Could our politicians be a little more specific and assure the people with the lowest incomes that the exchange (whenever it happens) will not affect them? Perhaps one clear statement, instead of all these ambiguities, will prevent people from suffering heart attacks. This is also worth doing.

[Bratislava NARODNA OBRODA in Slovak on 15 December on page 2, under the headline "Will There Be No Koruna Like the Koruna?," carries a 200-word "(NO-rr)"-signed report on the meeting with citizens in Hlohovec. This report contains the following information: "At yesterday's press briefing held after the meeting in Trencianske Teplice involving representatives from the parliamentary parties, Vladimir Meciar clarified the report in which at a meeting with citizens in Hlohovec he—allegedly—spoke about an 'exchange' of money at a ratio other than one to one. This in no way involves currency, but merely the replacement of money, that is, banknotes and coins, said Meciar. No matter whether a citizen has it deposited in the bank or at home in a 'stocking,' his money will be replaced at a ratio of one to one. However, replacement will be simpler for those who have their money in the bank, in fact it will be automatic."]

Jeszenszky Cites Lack of Progress at FRY Talks

LD1712101792 Budapest MTI in English 0005 GMT 17 Dec 92

[Text] Geneva/Budapest, December 16 (MTI)—At a press briefing upon his return to Budapest, [Foreign Minister Geza] Jeszenszky said a CSCE conference earlier this week and a meeting of the Yugoslavia Conference Coordination Committee on Wednesday [16 December] both failed to bring any progress.

Things have got worse since the London Conference, as tens of thousands have died in fightings on the territory of the former Yugoslavia and the war has become a general one. The bloodshed has to be ended as soon as possible, Jeszenszky said.

Any means is acceptable to create peace, he said. He termed it of great importance that France is ready to take part in controlling the Bosnian airspace with fighter aircraft. Such a step, he said, would also ease a unilateral superiority prevailing in the war.

All interference in the war going on on the territory of the former Yugoslavia, however, may be carried out only on the basis of UN Security Council resolutions. The UN will probably not rule about any concrete measures before mid-January as it is still hoping for a political settlement, Jeszenszky said.

Speaking about the possibility of a radical intervention, he said while the majority of countries are, although with good reason, afraid, first of all, for their soldiers' life in case of such intervention, for Hungary, it is obvious that if bloodshed goes on, it will threaten hundreds of thousands of Hungarians living in the war-torn regions or near them.

Antall, Croatia's Sarinic Sign Basic Treaty

LD1612184192 Budapest Kossuth Radio Network in Hungarian 1600 GMT 16 Dec 92

[Text] In Budapest, the Hungarian and the Croatian prime ministers have signed a basic treaty between the two countries. Both Jozsef Antall and Hrvoje Sarinic consider the agreement a milestone. Under the treaty, Hungary and Croatia will cooperate in international organizations as well as in the assertion of minority rights. The basic treaty declares that the two countries keep their armed forces at the lowest possible level.

Small, Medium Firms To Cooperate

LD1612160492 Budapest MTI in English 1413 GMT 16 Dec 92

[Text] Budapest, December 16 (MTI)—Simultaneously with the Hungarian-Croatian inter-governmental talks in Budapest, the two countries' industrial associations have signed an agreement on promoting cooperation between small and medium-sized ventures.

They will set up organisations to exchange materials, services, and technologies, primarily in construction, mechanical engineering, and catering.

The agreement was signed by Josip Sajnovic, president of the Croatian Craftsmen's Association, and Gyorgy Szucs, chairman of the National Federation of Hungarian Craftsmen.

Deputy Views Policy on Hungarians Living Abroad

AU1312200092 Budapest PESTI HIRLAP in Hungarian 9 Dec 92 p 9

[Interview with Csaba Tabajdi, Hungarian Socialist Party deputy, by Katalin Faggyas; place and date not given: "Csaba Tabajdi on the Hungarians Living Abroad"]

[Text] [Faggyas] You are the leader of the Hungarian Socialist Party's [MSZP] Central and East European Section and a deputy. How do you deal with the Hungarians living abroad?

[Tabajdi] A party that does not have a program and action plan for the Hungarians living abroad cannot function in our political system. It would be ideal to have "national cooperation" and to coordinate the activities of the parties in this manner. Unfortunately, no institution has been set up for this, although it does have a precedent. It is known that between October 1989 and May 1990, a National and Ethnic Minority Institute operated under the leadership of Imre Pozsgay and myself. The participants included Jozsef Antall, Geza Jeszenszky, Bertalan Andrasfalvy, Miklos Vasarhelyi, Gyula Juhasz, Bela Pomogats, and Pal Bodor. Our goal was that the various political forces and experts outside the parties should coordinate their activities relating to the Hungarians and their participation in international forums.

[Faggyas] Why has this initiative not continued?

[Tabajdi] The government should take a step—I have already suggested it several times. In my view, the Office for Hungarians Living Abroad should have set up such an expert organization. The Parliamentary Foreign Affairs Committee is not the appropriate form because only parliamentary deputies can participate in it.

[Faggyas] Do the parties compete with each other in trying to win over our compatriots living in neighboring countries?

[Tabajdi] The issue of Hungarians living abroad should by all means be a nonpartisan issue. The MSZP uses its increasingly strong network of relationhips and its recent acceptance into the the Socialist International. The deputies of the various parties work well together in the Council of Europe's Hungarian delegation. We are working together with Jozsef Bratinka [Hungarian Democratic Forum, MDF] and Sandor Karcsay [Christian

Democratic People's Party] in an exemplary way in preparing the document on national minorities which will be the basis for the Strasbourg Human Rights Committee approach to the complaints of national minorities. It would also be good to have similar cooperation among Hungarian political forces at other international forums. Unfortunately, in our view, the MDF often tries to monopolize the representation of the issue of Hungarians living abroad. The disadvantage of this is that it often over-politicizes the issues, thus occasionally creating a difficult situation for our compatriots living in neighboring countries. It is often difficult for them to avoid taking sides in the domestic political issues of the mother country. Occasionally, they are forced to participate in the debates of Hungarian political parties. One example is the media war.

[Faggyas] In the MSZP view, what is the most important thing to do in the interest of Hungarians living abroad?

[Tabajdi] We emphasize the economy. We urge privatization in neighboring countries because the Hungarians therefore can become landowners, which stabilizes their situation. We are also in favor of churches regaining their former property. We support pragmatic politics. What we need is perseverance and quiet small steps rather than high-sounding statements. We agreed with Sandor Fodo [chairman of the Cultural Association of Subcarpathian Hungarians] that we will help establish cucumber production in Subcarpathia and organize English-language computer training for the youth of Subcarpathia in Szabolcs-Szatmar County [Hungary]. Recently, we took 500 books to Tecso. At the request of Geza Szocs [chairman of the Democratic Union of Hungarians in Romania, RMDSZ—UDMR in Romanian], we are sending public administration experts to Transylvania who will help the RMDSZ draw up its plans on autonomy.

Parliamentarian Views Foreign Policy Trends

AU1512135892 Budapest MAGYAR HIRLAP in Hungarian 12 Dec 92 p 9

[Interview with Gyorgy Csoti, parliamentary deputy of the Hungarian Democratic Forum (MDF) and deputy chairman of the Parliament's Foreign Affairs Committee, by Dezso Pinter; place and date not given: "The MDF Is Not Experimenting With a New Foreign Policy"]

[Excerpts] [passage omitted] [Pinter] A considerable number of people are today considering the possibility that the Hungarian Democratic Forum [MDF] will give up its current foreign policy line and start formulating a new one. This possible change has been connected with your activity in various forms. Is this connection justified?

[Csoti] This is unjustified from every viewpoint. This whole approach is new and foreign to me. The MDF is not experimenting with a new foreign policy line and, in my opinion, I did not cause any misinterpretation with my statements, either. If people want to misinterpret something, they do this in some of the Hungarian press irrespective of anything and anybody in Hungarian politics. I personally experienced this after my speech in Brugges. Everyone had been aware of the Hungarian position for a long time, through statements made by the prime minister and the foreign minister. At the end of a lengthy speech, I said peacekeeping forces should be set up in Europe, and Hungary would be ready to take an active part in setting up such a force. [passage omitted]

[Pinter] Obviously, Hungary needs a coordinated foreign policy and consensus; at the same time, the various political parties can have different interests. What examples can you give on this?

[Csoti] I know of such examples but, precisely in order to maintain peace, I will not name these cases in public. I firmly object to the subordination of foreign political activity to party interests. I firmly condemn anyone who tries to discredit the Hungarian Government during talks on international issues only to gain party policy advantage from this, and I consider such an attitude to be incompatible with the national interest.

[Pinter] In your view, what does national interest mean in Hungary in December 1992?

[Csoti] Our national interest today is to maintain Hungary's domestic political and economic stability and to continue to advance down the road to European integration. We cannot disregard the events taking place in the immediate vicinity of our borders; nor can we disregard the fact that one-third of the Hungarian nation is living beyond Hungary's borders. Therefore, we must make serious efforts to maintain Hungary's stability not only domestically, but also in its foreign relations. Everyone agrees with the basic principle, but there are differences of views among the various parties as regards the implementation of this principle.

[Pinter] Are there any different views among the parliamentary parties when they discuss the problems and future of the Hungarians living beyond our borders?

[Csoti] Basically, there are no such differences, but the difference in their tone is noteworthy. Despite all the debates, mockery, and deliberate misinterpretations, Hungarian foreign policy must always consider 15 million Hungarians, and it must do this until we become part of a European integration in which borders only have a symbolic importance. [passage omitted]

[Pinter] In our region, there are countries that would like to benefit from the advantages of integration without being willing to make the necessary sacrifices, especially if these sacrifices affect government. How does the fact that various countries react so differently toward the requirements of integration affect cooperation in the region?

[Csoti] Obviously, this situation cannot go on, because this way we cannot achieve any European integration.

Leading Romanian political circles are experimenting with this ambiguous attitude, and, for the time being, there is no hope whatsoever that they intend to change this attitude. The next elections, by bringing a further advance of the democratic opposition, could bring a change.

[Pinter] Could the world accelerate the inevitable changes by refraining from interfering in Romania's internal affairs?

[Csoti] A strict system of requirements regulates membership in integration organizations. This starts with membership of the Council of Europe; it is no accident that Bulgaria is already a member of the Council, while Romania is not yet a member. There is not too much chance of economic progress or political stability without participating in the process of European integration. This fact will either force the political forces in power to modify their direction or it will facilitate the advance of the opposition. This does not only apply to Romania, but to Slovakia as well, because Vladimir Meciar abandoned the way which his predecessor Carnogursky started, and there are already many clear signs that this is leading to Slovakia's isolation. Everything is not yet lost, because there are still real chances of a change in concepts.

[Pinter] In this situation, what is the right way for Hungarian foreign policy?

[Csoti] To continue to be restrained. However, this does not mean that we should not consistently support the Hungarians living beyond our borders in achieving their goals by every internationally acceptable means and method. Even without the loud statements of Hungarian foreign policy, European public opinion and the European integration organizations should be aware of the dangers in Slovakia and Romania. For us, a restrained attitude is desirable not only because we can easily be accused of bias, but also because it is in our basic interest to make sure that neither Slovakia nor Romania become isolated in the long term.

[Pinter] Do you see any chances of positive and thorough changes in bilateral Hungarian-Romanian and Hungarian-Slovak relations in the foreseeable future?

[Csoti] We can only hope for the success of European integration, and for its effects on Slovak and Romanian policy. [passage omitted]

State Assets Manager Views Management Policy

AU1512173392 Budapest NEPSZABADSAG in Hungarian 11 Dec 92 p 12

[Interview with Pal Teleki, chairman and general director of the State Property Management Stock Corporation, by Katalin Bossanyi; place and date not given: "We Must Increase the Value of the National Assets"]

[Excerpts] By establishing the State Property Management Stock Corporation [AV Rt], possibly the most powerful institution has been created since the change of the regime. The government lists 160 enterprises in the super holding that manages property in long-term state ownership. This is almost a quarter of the state's entrepreneurial property. I interviewed Pal Teleki on the initial difficulties and his long-term goals. [passage omitted]

[Bossanyi] According to estimates, the 160 enterprises that belong to the super holding make up a quarter of the state property that can be privatized. Compared with this, your founding document shows a much smaller number. Why?

[Teleki] No one can tell precisely how big the state's entrepreneurial property is. The figure of 6,000 billion is public knowledge and we have 1,000 to 1,200 billion of this. However, this is not the market value but a book value or an estimated value. In the founding document, we only have that part of the registered capital of enterprises that belong to us which is to be kept, and this amounts to some 350 billion forints in the case of those organizations that have already been converted. When all 160 enterprises are converted, then the registered capital will reach a maximum of 480 billion forints.

The government's one-off cash contribution of 9.6 million forints is added to this, which will cover the operational costs for 18 months. In addition to wages, we have to use this money to create a guarantee fund, a share-buying fund—this applies to enterprises under receivership—and we have to begin preparations for privatization. Primarily, we must make sure that no further value should be lost in the course of asset management and privatization. For this reason, I will be able to give you an exact figure for our assets in approximately one year's time, based on revaluation rather than estimates.

[Bossanyi] At the moment, you are the number one state property manager. What measures are you planning to take?

[Teleki] I intend to use a broad range of legal possibilities. I would not like to go into the technical details of property management, but the essence for me is to increase the value of the long-term state property portion of the 160 enterprises. This process cannot be rigidly separated from privatization. The work of the State Property Agency [AVU] has concentrated on the sale so far. However, the AV Rt is not trying for an immediate increase in its income. We will improve some of our enterprises—we will help them change their markets and structure—and will only sell the specific part of the assets or take the shares to the stock market after this. In other cases, we will try an investors' privatization or reinvest the money in improving the conditions of the enterprise. Obviously, we will use a different asset management in the case of enterprises that are to remain under 100 percent state ownership, in the case of strategically important enterprises, and different ones again—for example, for the protection of a brand—in the case of those where we only have a 25 or 50 percent share. Similarly, our methods will be different in handling the property elements assigned for compensation or social

security. All in all, we have almost as many solutions as we have enterprises. [passage omitted]

[Bossanyi] The government's new privatization strategy is being drawn up. Help for small and medium size investors and strengthening the domestic capitalist groups are in focus. Does this not run counter to increasing the value of the state assets, which is your preference?

[Teleki] On the contrary. Involving small investors might have a stabilizing effect on the economic situation in the affected groups of enterprises. Our strategy extends to privatizing the trade banks and insurance companies. A law prescribes the maximum share of the state in the banks. However, if we began their privatization without the credit consolidation program, then, in addition to selling off the banks, their business partners would also find themselves in a difficult situation. For this reason, we have set up a small in-house team that is to coordinate this work, with the cooperation of the bank privatization committee. This is the only way we can take responsibility for bank privatization because it is we who have to foot the bill in the end. [passage omitted]

[Bossanyi] According to the 1993 budget, the AV Rt is to pay 34 billion forints into the budget. Is this a realistic figure?

[Teleki] I do not think so. A payment of 14 billion forints was set in the asset policy guidelines. I can understand that the budget is in a difficult position, but the government has to decide what it really wants to do with the long-term assets. Whether it wants a fast privatization—possibly below the proper price—and an immediate income from this, or if it will give us enough time to improve the position of this group of enterprises so that we can sell their mobile shares at a later date but at a better price. [passage omitted]

Statistics on Foreign Trade Balance Published

AU1612110392 Budapest MTI in English 1103 GMT 10 Dec 92

[All figures as received]

[Text] Budapest, 10 December (MTI)—In the first ten months of 1992, Hungary's exports exceeded 666.7 billion forints, while imports totalled 705.3 billion forints.

At the end of October, the country's foreign trade deficit stood at 38.6 billion forints.

In the same period last year, exports were 583.2 billion forints and imports 710.6 billion forints, with a deficit of 127.4 billion forints.

Compared to last year, exports were up by 100 billion forints, while imports dropped by 5 billion forints.

According to the Finance Ministry, in U.S. dollars, at the end of October, exports had reached $8.5 billion, compared to $7.6 billion in the same period last year. The value of imports dropped from $9.2 billion last October to $8.9 billion.

At the end of the first ten months, the trade balance showed a deficit of $433 million, much lower than the $1.6 billion deficit last October.

Statistics on Private Income, Taxation Published

AU1612142892 Budapest MAGYAR HIRLAP in Hungarian 15 Dec 92 p 10

["V.I"-signed report: "The Rich Are Becoming Richer"]

[Text] Personal income tax as a proportion of the state budget has increased from 7 percent to 12 percent in five years. The average personal taxable income according to the progressive taxation system stood at 206,000 forints in 1991, and the per capita tax stood at 37,000 forints, 42 percent higher than in 1990.

The differentiation in incomes will be increasingly conspicuous. The average income of the highest-income strata of the population increased by 30 percent (from an average of 800,000 forints to 1.1 million forints), while the number and average income of people earning less than 100,000 forints did not change.

If we compare the proportion of state funds deriving from personal income tax payments with the gross domestic product [GDP], we can see a steady increase since 1988, which, along with a decreasing GDP in real terms, shows an increase in the personal income tax burden of the population.

Income deriving from [salaried] work as a proportion of the overall income of the population has dropped as a result of an increase in the number of unemployed and private entrepreneurs.

Average income deriving from private ventures has decreased: The average annual income of entrepreneurs decreased from 136,000 forints in 1989 to 126,000 forints in 1991. At the same time, employees' average income increased from 133,000 forints to 212,000 forints.

The number and average income of people earning their money from intellectual activities continued to increase in 1991: Compared with a total income of 2 billion forints declared by 86,000 taxpayers of this kind in 1988, 160,000 people declared an income of 11.5 billion forints in 1991.

Taxpayers received 17 billion forints in tax rebates, and 47 billion forints in welfare allowances. Out of the total of 64 billion forints, only 7 billion forints was considered as taxable income.

The number of people declaring income from selling real estate, property, and the rights to property increased by almost 20 percent, while the average income deriving from these sources increased from 124,000 forints to 191,000 forints.

Consular, Visa Accords Signed With Latvia

LD1712144192 Warsaw Radio Warszawa Network in Polish 1105 GMT 17 Dec 92

[Text] Latvia's Supreme Council Chairman Anatolijs Gorbunovs has started a three-day visit in Poland.

The ceremony of welcoming the head of the Latvian state took place on the Belweder [presidential residence] courtyard. President Lech Walesa spoke with the guest one on one, and then talks were held between the delegations. President Lech Walesa encouraged concrete cooperation. The Latvian side is interested in our experiences in reforms. The exchange of ratification documents of the treaty on friendship and cooperation between our states, which was signed in Riga on 1 July, is of a great importance. The exchange of ratification documents means that they come into force immediately.

Ministers of Foreign Affairs Krzysztof Skubiszewski and Georgs Andrejevs have also signed consular conventions and agreement on visa-free traffic between our states. The Latvian Supreme Council chairman will today hold talks with Prime Minister Hanna Suchocka and head of our diplomacy, Krzysztof Skubiszewski.

Ukraine's Envoy Urges Stronger Relations

LD1612233792 Warsaw PAP in English 1818 GMT 16 Dec 92

[Text] Warsaw, Dec. 16—Ukraine's extraordinary and plenipotentiary ambassador to Poland, who was accredited in Warsaw on Wednesday [16 December], Gennadiy Udovenko, announced intensification of work on the activation of relations between both countries.

"Ukraine needs Poland but we think that Poland also needs Ukraine. We are not going to build our relations at the expense of others, and these relations should not affect the relations between Ukraine and Russia, Germany, or between Poland and Russia or Germany," Udovenko said.

According to Ambassador Udovenko a new impulse for Polish-Ukrainian contacts will come during the planned visit to Kiev by Polish ministers of foreign affairs, Krzysztof Skubiszewski, and national defence Janusz Onyszkiewicz. Major importance is attached to the visit of Prime Minister Hanna Suchocka, expected early next year, he assured.

The ambassador stressed the necessity to restore economic relations between both countries on new, market oriented principles. He admitted that strong bureaucracy is Ukraine's serious problem and the centralisation of decisionmaking inherited from the fallen empire.

Rokita, World Bank View Public Administration

WS1612122992 Warsaw SERWIS INFORMACYJNY in Polish 1107 GMT 10 Dec 92

["Report on the Government Press Office Communique"—SERWIS INFORMACYJNY headline]

[Text] On 9 December, Minister Jan Maria Rokita, head of the Office of the Council of Ministers, met with the International Bank for Reconstruction and Development (World Bank) delegation headed by Mr. Luca Barbone, chief specialist on Central Europe, and Ian M. Hume, the permanent representative in Poland.

During discussions, the present stage of preparations for reforming the public administration in Poland was evaluated. The World Bank representatives agreed with the main reform goals. It is to be based on the decentralization of authority. The sides agreed that the next two years will be a critical period for the reform.

The World Bank will assist the reform of the public administration financially and technically when the Polish Government requests such help. To this end, a document will soon be prepared for the Bank outlining the scope of the reform.

EC Grants Funds for Polish Environment Program

AU1712112092 Warsaw PAP in English 2232 GMT 16 Dec 92

[Text] Poznan, Dec. 16—The EC Committee for Environmental Protection has granted 500,000 ECU's [European Currency Unit] in support of the "master plan," a programme to improve the natural environment in the Warta River basin (western Poland) by 13 riverside provinces. The matter was discussed Wednesday [16 December] by directors from the provincial departments of environmental protection. The Polish ecological programme has been acknowledged by EC experts as a model for post-communist countries and stands the chance of gaining further financial support.

In a separate development, Premier Suchocka has recalled Jan Komornicki from the post of undersecretary of state in the Ministry of Environmental Protection, Natural Resources and Forestry, the Government Press Office reported on Wednesday.

Finance Ministry Aide on Role of IMF

PM1612094492 Poznan GAZETA POZNANSKA in Polish 3 Dec 92 p 3

[Interview with Krzysztof Link, director of the Finance Ministry Foreign Department, by correspondent Tomasz Bitner; place and date not given]

[Text] [Bitner] Placards carried by the strikers often displayed the slogan "Away With IMF Dictates!"...

[Link] So they did. But this was the result of a lack of understanding of the advantages that we derive from cooperation with the IMF.

[Bitner] Please list those advantages for us.

[Link] The Fund was set up in order to provide favorable conditions for intensification of trade exchange between individual countries. However, its most significant aspect now is that it has become an important international institution that provides a source of credible economic information on a whole range of countries.

[Bitner] This is all fine, but where are the advantages to us?

[Link] We are just coming to them. The thing is that IMF approval for a given country's economic program is tantamount to a certificate of credibility. The country that receives such a "seal of approval" becomes automatically more attractive to potential foreign partners, especially for banks and other financial institutions. In addition, the Fund also offers assistance in economic stabilization programs by making loans available to the "approved" countries.

[Bitner] Perhaps you can cite a specific example...

[Link] Some days ago a few of the countries which, at the end of 1989, set up a zloty stabilization fund devised to support its internal convertibility agreed to change the fund's original aims. This released several million dollars—for at the moment this is the sum we have at our disposal—which can now be used to enhance our banks' capital assets. Once the appropriate agreement is signed, the IMF itself will grant us further loans to the tune of $700 million. Another example: We can count on acceleration of negotiations with the London Club, an association of private banks, on the question of a partial reduction of our debts. By the time our agreement with the IMF nears the expiry date, that is, in April 1993, the Paris Club will take over the operation of the reduction of the second part of the Polish debt. We also hope that we will be granted privileged access to loans granted by the World Bank and the European Bank for Reconstruction and Development.

[Bitner] Nevertheless, for Mr. Average employed in the budget-funded sector the agreement with the IMF means that in consequence of the resultant cuts in state expenditure his real salary or his real pension will suffer a reduction.

[Link] The state budget is composed of two parts: expenditure and revenues. The expenditure depends entirely on the revenues, not on IMF decisions.

[Bitner] All the same, the IMF demands unconditionally that the level of the budget deficit not exceed 5 percent of the gross national product. And this is precisely the point that comes under the most severe criticism.

[Link] Regardless of whether it is 5 percent, 7 percent, or even 9 percent, we would in the end have to make good that deficit because a budget deficit is in effect a specific type of debt. We will have enough problems with trying to meet the 5-percent liability. In addition, if we are to view the agreement with the IMF from Mr. Average's position, then we cannot fail to see its evident advantages, too.

[Bitner] Such as?

[Link] The IMF agrees to endorse the deficit provided that its level and the method of its financing do not result in an increase in the level of inflation. This, in turn, will mean maintaining the level of real wages. If we were to agree to a higher deficit, which would have to be counterbalanced by such measures as, among others, increased inflation, perhaps for a while we would indeed see higher subsidies in the fields of health service and education, but even these would be only temporary because the inflation would cancel their effects within just a few months. In addition, inflation would increase our wages, too.

[Bitner] Previously we twice failed to comply with the 5 percent limit. Do you believe we will succeed now?

[Link] Our calculations, which are based on next year's budget proposals and the tenets of the socioeconomic policy, suggest that we will indeed be successful. In any case, during the negotiations IMF representatives kept stressing that it was the first time that the Polish side was so conservative in its estimates of the expected revenues.

[Bitner] What if we still fail to keep within the 5 percent limit, after all?

[Link] Well, there could be two reasons why we might still fail: either a fault in the formulation of the program itself or some unforeseen external circumstances. In the second case, the IMF will have no difficulties in agreeing to renegotiate the deal without penalties. This sort of thing already happened in the past when we encountered problems following the collapse of the internal trading system within CEMA. On the other hand, the May 1992 Sejm resolution on adjustment [rewaloryzacja] of old age and disability pensions, which posed a serious threat to the budget, was a clear case of noncompliance with the stipulations of the program negotiated with the IMF.

[Bitner] Would our financial situation be much worse if we did not cooperate with the IMF?

[Link] It is impossible to make accurately calculated predictions in such cases. It is, for example, very difficult to guess how many banks would have been prepared to offer us loans if the IMF had not made it officially known that, in their opinion, we were a reliable partner. On the other hand, we certainly do know that the reduction of our debt to countries associated with the Paris Club would have been impossible without our IMF contacts.

[Bitner] The Paris Club did reduce our debt—to date by 30 percent—but official statements still report the Polish

debt as standing at more than $40 billion. So was the debt reduction actually carried out or not?

[Link] It was, but the trouble is that the sums quoted can be misleading. The reduction applies not only to the basic capital but also to the interest on the capital. This is why, to simplify matters, constant amounts are quoted in official announcements, without complex daily adjustments to the amount outstanding. In such a case it is easiest to talk about our debt reduction using percentage values. Thus, we say that to date the Paris Club reduced our debt by 30 percent.

Extradition of Arms Embargo Violators Opposed

AU1712111692 Warsaw PAP in English 2039 GMT 16 Dec 92

[Text] Warsaw, Dec. 16—Deputy Foreign Minister Robert Mroziewicz told the Sejm (lower house) Wednesday [16 December] that the Polish Government "undertook all possible measures" to help the Polish citizens who were arrested in March this year in Frankfurt-on-Main for attempting to sell arms illegally to Iraq and handed over to the American authorities in November.

Mroziewicz insisted that the Poles had been under consular care from the moment of their arrest and that the Foreign Ministry had maintained continuous contact with the families of the accused. He added that the ministry would be ensuring that the law was being observed during the legal proceedings in New York.

Mroziewicz stressed that in the whole affair "Poland's situation was very difficult." The Polish authorities had not been able to initiate extradition proceedings because there was no extradition agreement with Germany, but on the other hand Germany had such an agreement with the United States. This meant that the citizenship of the accused had no significance in this matter. Their legal position would have been identical had they been arrested on U.S. territory, argued Mroziewicz.

Most MP's [members of parliament] were critical of the government statement on its behavior following the arrest and extradition of the Poles from Germany to the United States.

The Polish Peasant Party (PSL) accused the Foreign Ministry of a lack of enthusiasm in defending the Poles, the Christian-National Union (ZChN) said that there had been a failure to send protest notes to the German and U.S. Governments, and the Democratic Left Alliance (SLD) accused the deputy foreign minister of suggesting in his speech that the Poles were guilty.

Only the representative of the Democratic Union (UD) defended the government. He argued that the matter was a question of justice and did not lie within the government's competence. "If we want to be treated seriously then we have to respect other people's laws," said the UD MP.

Sejm Rejects Draft on Abortion Referendum

AU1712111992 Warsaw PAP in English 1644 GMT 16 Dec 92

[Text] Warsaw, Dec. 16—The Sejm extraordinary and legislative committees rejected on Wednesday [16 December], after the first reading, the MP [members of parliament]-initiated draft legislation on holding a national referendum on penalizing abortion.

Nineteen MP's were in favour of rejecting the draft, two against, and one abstained. The decision of the committees ends the possibility of further legislation on this matter, but does not mean that the referendum question will no longer haunt the Sejm.

One of the minority motions to the draft law on the protection of the rights of the unborn child makes the eventual implementation of the law conditional on the results of a national referendum. The Sejm will specify its position on this motion during a debate on the abortion draft.

MP's from the "referendum group" (which consists of MP's from various parliamentary floor groups who want a referendum on whether abortion should be penalized) decided Wednesday to support the Labor Union (UP) proposal that the Sejm bill on the referendum and also the "bill on the legal protection of the unborn child" not be discussed in the Sejm on Thursday.

This information was given by Democratic Left Alliance (SLD) MP Ryszard Zochowski after a closed meeting of the committee. Zochowski added that during the meeting, MP's charged the Sejm Presidium with infringing parliamentary regulations on the question of the referendum.

The MP's from the committee intend to propose that the first reading of the referendum bill take place at a plenary session and that it does not base itself on the report of the extraordinary and the legislative committees.

Walesa, RLP Chairman Miodowicz Debate 15 Dec

LD1612141892 Warsaw TVP Television First Program Network in Polish 2045 GMT 15 Dec 92

[Debate between President Lech Walesa and Working People's Movement, RLP, Chairman Alfred Miodowicz with unidentified moderator in the Belvedere Palace in Warsaw on 15 December—recorded; monitored in progress]

[Excerpts] [Moderator] Taking part in today's meeting are Mr. Lech Walesa, president of the Polish Republic, and Mr. Alfred Miodowicz, head of the Working People's Movement party. Gentlemen, I give you the floor.

[Walesa] I'd like to welcome Mr. Miodowicz. I'd like to greet you, ladies and gentlemen, and ask this: Which of

us, which of you wonders where are the worldly remains of his great-great-great-great grandfather? I don't think any of us does. None of us considers, either, that without that great-great-great grandfather, we wouldn't be here. Nobody considers that our meeting years ago [original Walesa-Miodowicz debate in 1988] set a certain process in motion. I wonder if that meeting hadn't taken place what different process there might have been. We can wonder. And because not many people wonder and ask what might have been, I regret to say that I haven't met anybody—maybe I didn't go out far enough to meet them—who was pleased about this meeting. Everybody carped about it from this angle: What for? It's a different country. Why? My answer is this: I agreed to be president; I agreed to look for every possibility—clever, stupid, important, unimportant—to serve the country best. Often, I don't succeed. Often, it's undermined. But as I said, I never avoid any meeting in which I might look for ways or solutions that could serve the country. There will be many of these inapt meetings, following this concept. I'd like our meeting to be apt, though. I'd like to prove to everybody that sometimes—and especially before Christmas—we should consider where our great-great-great grandfather is and that without him, we wouldn't be here. That's all I wanted to say by way of introduction.

[Miodowicz] Greetings, ladies and gentlemen. First of all, thank you to my friends from the Working People's Movement and to the trade unionists, who persuaded me to participate in today's meeting. Thank you very much, Mr. President, for agreeing to it. I think today's meeting should serve not only to strengthen one of us—you're the president, I am who I am—but it should serve Poland and the Poles. How perverse fate is in all this! Who could have imagined that four years later we would again be having a conversation against a backdrop of strikes? Just as there were strikes four years ago, so too there are today—and the miners are even threatening a general strike. Where's the difference here? There's an important difference.

Those strikes were strikes of hope. All of us lived in the belief that we could have a better life in this Poland of ours; that important changes could be made—not a worse life, in any case. Today, there are strikes of despair, and that should make us pause for thought. [passage omitted]

The main thesis four years ago of the unity of a nation, living in a free, independent, and democratic country was wrong. The nation has become very divided. There didn't used to be such a division into poor and rich; a division meaning that some people pick through garbage cans while others roof their houses with copper; an artificial division into those who did their bit for the new authorities and those who date from the previous period—a very dangerous division. Mr. President, I know you take a very rational position on this issue, but life goes on and certain forces are pushing us to this artificial and very dangerous division. [passage omitted] Political pluralism—our Sejm is an example of that. Democracy and the interests of the electorate have become lost in politics. The final issue is a more quick integration into Europe. Yes, indeed, we have gotten into that faster car—maybe I haven't seriously done so—but the drivers are missing. Some are learning, getting licences, but are at the cycling permit stage; and those who have drivers' licences have been set aside, so to speak, shaking with fear. I think this is what we can consider today, not from the point of view of whether we were right or not four years ago, of course, but from that of life's perverseness, which we have all met, and of disappointed hopes. Thank you very much.

[Walesa] Now, sir, you see, this statement of yours has proved that it wasn't worth meeting you. [passage omitted] I accuse the martial law authorities of the great division, which you, sir, perpetrated. Maybe you didn't want to, but it happened. In 1980 and 1981, almost the whole nation was united behind the reforms but martial law divided us. [passage omitted] The division stems from then and I thought you would understand that. [passage omitted] There are too many possibilities today, and that's why we are divided.

Today's strikes are not for possibilities, but for better possibilities, for agreement in order to resolve problems. There are rich people—a third of the people are really rich, as you said—and they didn't exist then. So, one third already has a better life; one third has a little better life than before our revolution. One third has it bad, but this is because for three years we haven't succeeded in setting processes in motion, linking things together, and finding solutions, although the possibilities are there. [passage omitted—Walesa says he should be talking to bankers or corporations who can help him solve these problems, not to Miodowicz, who can't. Everybody who has no possibilities has no problem leaving Poland. Is that bad? Do you deny that the world is open? Certainly, it doesn't pay Poland. Certainly, it would be better for Poland to close the borders and not let people out. Certainly, but we don't want to do that. So we are paying for the essential reforms. [passage omitted] What we have done—pluralism, democracy—is essential and let's talk on a different plane about what we can't resolve. We can't, although we have the possibilities—and during martial law we didn't have the possibilities. That's the difference, sir.

[Miodowicz] There is a lot of truth in what I have heard. But please listen to my reasons. I think that our conversation will only make sense when there are two sides. The fact is that my abilities are incomparably small and nonexistent in comparison with bankers. However, Mr. President, the spirit for work should not be looked for there. I have heard recently that you would not go to Silesia because you do not have, let's say, any ideas. But the breath of Silesia can be felt. It is a great thing. The concept of Silesia is of great importance. Let's look at what is happening there. A minister from this government—a reasonable man—announced that he was coming in the new situation. He guaranteed peace there,

some stagnation, and the firing of almost 100,000 miners. The miners in Jaworzno were shocked by that. I anticipated that something like that might happen. Well, these are important things.

We are threatened by a really serious situation when the budget that will be passed will mean depriving poor people. It is not one third that lives in poverty. According to what has been quoted, 60 percent live below the minimum and 30 percent in poverty. There is no search for money. There is no monopoly where the money could be found. It has been said that there was to be a monopoly for tobacco, matches, and alcohol. Today, I hear that enterprises, that some big concerns, tobacco concerns, want to privatize our tobacco enterprises. In Starachowice: Starachowice was several dozen million [not further identified] short to start up production, and at the same time the Wedel factory was released for privatization. These are the problems. So without denying that meetings with bankers are important, I think that meetings with ordinary people are the most important. I belong to them. Apart from that, I belong to friendly people, really friendly. There is nothing malicious, nothing sarcastic in what I am saying now. It a concern for Poland that I can show at my humble level. Things are in the hands of those who have power, and you, Mr. President, really have this power.

[Walesa] [passage omitted] Really, this government and this president want to do things. They might not be able to do this because the scale is too big. Sir, again, if there we had been given a chance in 1980 we would overtake Hungary, Czechoslovakia, the former Soviet Union, and we would do it faster. Maybe there was no chance of this kind. I do not question this. That is why we lost time and money, we divided the nation. Now we have to find some way out, not arguing. Hence, I am meeting with you and with others, despite the fact it will be said that I should meet with somebody else who will give me some answers. Do you understand? This is not a humiliation, it is not a prejudice; I am not prejudiced. I see the interest of Poland, I am looking out for this interest. I may not be finding it because, as I say, I should be speaking to somebody else, but nobody can say that I am not trying, that I do not want to.

[Miodowicz] [passage omitted] Now, we are on the eve—and we can do a lot Mr. President, a lot—we are on the eve of a scandalous matter. It is the so-called program of universal privatization. This is the program of creating a new class of capitalists on the back of the state enterprises. These are the capitalists who have empty pockets, but they will have full pockets in two years time, they will be in management, they will be sitting on boards. They will buy those dirt-cheap shares that will be given to old age and disability pensioners and employees. This is a great threat. This is only a proposal, but it stinks. I must say if the Sejm is not attracted by that and the president does not intervene soon enough, then there will be a dramatic situation. I do not know why state enterprises are not liked in Poland. You, Mr. President, and myself worked in big state enterprises. You were working up north and I was in the south. Some state enterprises exist still, though not in the same ways. Volkswagen was built in the 1930's and so on—I am not saying who was ruling at that time. Volkswagen has been a state enterprise and no one thinks about privatizing it. Nobody thinks about complaining that because this horrible system built Volkswagen we should liquidate it. On the contrary. [passage omitted]

[Moderator] Thank you very much. The time allocated for the first half has finished. Would you like to make a two minute summing up of this first half or shall we move on to the press conference?

[Walesa] I....

[Miodowicz, talking over Walesa] ...say a few words.

[Moderator] Please go ahead.

[Miodowicz] Mr. President, I have listened with great interest to our meeting, especially the last part. This is a question of the condition of our society, a great condition. Every society that is in a splendid condition has to have good information. Unfortunately, our public has poor information. After all, we're saying that in England Mrs. Thatcher carried out privatization. But Mrs. Thatcher privatized the weakest state enterprises, those which were running at a loss, and we're privatizing the best.

We should base ourselves on large social groups. You recalled, today incidentally, but once directly, that if it is necessary then you'll create a presidential party. Sir, I wouldn't like to remark [word indistinct] on this matter, but I know on which ones it could be based. It could be based on working people, those who work in the countryside and those in state enterprises. Those enormous social groups among which I also include the unemployed; among which I include those young people receiving welfare benefits; among which I also include pensioners and annuitants; and, above all, organized groups in work enterprises. That's a force on which it can be based without infringing on democratic principles.

[Walesa] But sir, again what you've said, poor information. When I wanted to broadcast something on tape during martial law, thousands—no, not thousands, but hundreds—of policemen came after me. Today, the radio and television broadcast legally; anyone can start one, and you're talking about poor information. No, sir, it's something else. Again, the opportunities are there, but people prefer to present shows about girls, prefer to present shows about cowboys, instead of talking about patriotism, talking about all this. But can I force them? In a free country, that's the way it is. Again, with whom am I supposed to be angry? I would very much like, Mr. Miodowicz, I would very much like for the unemployed to be talked about, that people try to organize them, that money be found for them, that they come to the president and say: We've gotten organized, we've got an idea, give us some money. I would like that to be done. But sir,

it's a free press. I don't know what paper or daily to read, and that's why I choose the TRYBUNA or another one. [laughter]

Again, you can't say poor information, only that information that could be better is bad information, it's material [as heard]. I'll say something else, we've got to get through this disease. Even those books that have come out at the moment, Anastazja [book by Anastazja Potocka about erotic activities of senators and Sejm deputies] and the others. We're going to read this filth to begin with, because for 50 years no one was allowed to write like that. Now we must have our fill, and after that we'll say generally you shouldn't read things like that at all. But before we say that, we will have to read 10 absurd and stupid books; we must spend money on a book like that, which is pointless, instead of on bread, but we've got to go through this period and that's why we must put the blame on what can be blamed, and not blame the earth for revolving around the sun. [passage omitted]

Sejm Committee Debates Defense Reforms

WS1612133392 Warsaw SERWIS INFORMACYJNY in Polish 1027 GMT 10 Dec 92

["National Defense Committee Meeting"—SERWIS INFORMACYJNY headline]

[Text] The topics of the session were the current and planned changes in the structure of the Ministry of National Defense by the civilian minister. These are changes that take into consideration the principles and mechanisms of the functioning of military intelligence services. Minister Janusz Onyszkiewicz declared the ministry ready, and in need of closer cooperation with the Defense Committee. The intent of the reform was to ensure civilian control over the armed forces, as well as, to achieve compatibility between the Polish Armed Forces with the armed forces of Western countries. An entirely new creation of the ministry is the department for defense policy. In answer to Deputy Janusz Korwin-Mikke's question concerning who will lead the army in the event of war, Minister Onyszkiewicz answered that the army would be led by a person appointed by the president of the Republic of Poland.

Subject of the Session

The topics of the session were the current and planned changes in the structure of the Ministry of National Defense by the civilian minister. Changes which take into consideration the principles and mechanisms of the functioning of military intelligence services.

Statement by Jerzy Szmajdzinski

At the outset, Deputy Jerzy Szmajdzinski said that the control function of the National Defense Committee should also manifest itself in participation in decision-making, which has not occurred.

Statement by Minister Janusz Onyszkiewicz

Minister Janusz Onyszkiewicz declared the ministry's readiness and desire for closer cooperation with the Defense Committee.

Structural Changes in the Ministry of National Defense

In commenting on the subject of structural changes in the Ministry of National Defense, Onyszkiewicz declared that the ministry had functioned as a strictly military structure based on orders since the 1960's.

Work on reform began at the end of 1990. The election was scheduled for the fall of 1991, and the process of introducing reforms was delayed until a civilian was appointed minister of National Defense.

In June 1992, new consultations began. The intent of the reform was to ensure civilian supervision over the Armed Forces and the compatibility of the Polish Armed Forces with the armed forces of Western countries.

Department for Defense Policy

The ministry is considering hiring more advisers. An entirely new division of the ministry is the Department for Defense Policy that should be developed. The defense policy was formerly shaped outside the Ministry of National Defense. The General Staff was only one of the military organizations under the ministry. The current General Staff will be an integrated structure and will also include the inspectorates of training and logistics.

Who Would Be In Command of the Army In the Event of War?

When deputy Janusz Korwin-Mikke asked a question concerning the person in command of the army in the event of war, Minister Onyszkiewicz replied that the head of the army would be appointed by the president of the Republic of Poland. There is conjecture that this person will be the head of the General Staff—however, no constitutional provisions address this issue.

Statement by Jerzy Szmajdzinski

Deputy Jerzy Szmajdzinski proposed to eliminate the duplication of effort in some units of the Ministry of National Defense and the General Staff. He also asked about the links between military intelligence services and the General Staff.

"The Army Serves the Purpose of Waging a War"

Deputy Janusz Korwin-Mikke stated that the Army serves the purpose of waging war, and that this is not seen in the changing structure of the Army. The situation is not clear.

Changes in the Structure

Deputy Mariusz Marasek said that changes in the structure should be left up to individuals who are performing crucial functions in the current structure. According to

Marasek, the structure was changed to suit the needs of a particular individual, and not in line with the priority objectives.

Statement by Representative of the Highest Chamber of Control (NIK)

NIK representative suggested that the financial cell within the General Staff should fall under the Inspectorate of Logistics because this would optimize activities. He asked who makes decisions regarding cadre issues. Is it the General Staff, or the National Defense Ministry? He also wanted to know who makes decisions regarding finances.

The intent of the reform is to tie the military to the civilian sections. Janusz Onyszkiewicz declared that he will accept responsibility in the event of any failures, while the success of the program is the work of many. The Committee's position regarding the minister's speech was expressed by its chairman, Maciej Zalewski. He suggested that the Committee will participate in future decisionmaking, and not be merely advised of the facts.

Structural Changes in the National Defense Ministry

In answering the deputies, National Defense Minister Janusz Onyszkiewicz stated that a major structural change has been implemented. In contrast with the past, the chief of General Staff commands the army, but is now directly under the minister of National Defense.

The preparation of the Army budget is primarily the task of the Ministry of National Defense, and not the General Staff.

Personnel matters are also undergoing considerable changes. For example, the number of generals is to be reduced from 450 to 150.

Tying the Army to the Civilian Sectors

The intent of the reform is to tie the army to the civilian sectors. All education sites will be taken over by military commanders. The minister stated that partial duplication of efforts on the part of the General Staff and the Ministry of National Defense is necessary. He said there is no possibility of precisely dividing the duties of these structures. He declared that the number of civilian employees in the National Defense Ministry would rise. He hinted that many experienced army officers, who are over sixty, are transferring to civilian posts.

After the reform, the National Defense Ministry personnel will be reduced by 20 percent. The General Staff and the Ministry units whose functions overlap, must cooperate directly with each other and not only through the minister.

Janusz Onyszkiewicz declared that he would accept responsibility for any possible program failures. Its successes, on the other hand, will be the work of many. He added that the president's authority to supervise the armed forces is implemented through the minister of National Defense.

The Stand of the Committee

The Committee's position on the minister's speech was expressed by Maciej Zalewski, the chairman of the Committee. He suggested that the Committee will participate in future decisionmaking, and not be merely advised of the facts.

Wojciech Wlodarczyk of the Movement for the Republic (RdR) noted that the Army structures dominate the current National Defense Ministry, and mentioned the absence of representatives of the Navy and the Air Force on the General Staff.

Janusz Korwin-Mikke stated that the current name: Ministry of National Defense is actually a front for the "ministry of disarmament." He pointed to the absence of any individual who would have to lead the army in the event of war.

Antoni Macierewicz asked about the stage of implementing the current and proposed changes, and Minister Onyszkiewicz's ideas on the cooperation between the National Defense Ministry and the Committee of National Defense.

Who Prepared the Reform?

Minister Onyszkiewicz explained that the reform was prepared by a commission chaired by Minister Zabinski, and more specifically, a Subcommittee for the Armed Forces chaired by General Stelmaszczuk, and a Subcommittee for the National Defense Ministry chaired by Onyszkiewicz himself.

How Does the Ministry Function?

The National Defense Ministry functions [words indistinct] while the General Staff works out the details of the reform concepts outlined by the ministry. There is no danger that the areas of responsibility will overlap.

The Stage of the Work on Reform

As far as the stage of the work on the reform was concerned, the minister said that most of the new structures are at the organizational stage. The Minister said that many purely technical issues should not be addressed by the Committee of National Defense. If the Committee, however, considers it reasonable, it may accept the proposal, but this would entail many specific issues. He added that he would not appoint a plenipotentiary responsible for implementing the reform.

Voting on Formal Motions

—A motion was adopted that would oblige the minister of national defense to present a general structure of tasks in the National Defense Ministry.

—A motion of Deputy Marasek was adopted on soliciting information from the minister on the activities of the Subcommittee that is preparing the reform.

—A motion was adopted on examining the matter of possible incongruence between the "Small Constitution" and the law on compulsory military service.

—A motion was adopted obliging the Committee to prepare, jointly with the Ministry of National Defense, a common stand in time for the Sejm budget debate.

—A closed session of the committee on military intelligence information services was postponed until Friday [11 December].

The session of the Committee has ended.

Interview With Military Intelligence Chief

AU1612100792 Warsaw RZECZPOSPOLITA in Polish 11 Dec 92 pp 1, 2

[Interview with General of Brigade Boleslaw Izydorczyk, chief of the Military Information Service, by Maria Wagrowska and Zbigniew Lentowicz; place and date not given: "Trusting and Checking"]

[Text] [RZECZPOSPOLITA] During his recent meeting with the editors of POLSKA ZBROJNA, President Lech Walesa announced that he would employ "the knowledge and organization of the military" in combating wrongdoing in Poland. Did he also have the Military Intelligence Service [WSI] in mind? How would you define the present tasks of intelligence and counterintelligence?

[Izydorczyk] They have not been given a precise definition. The WSI counteracts threats to state security and potential violations of defense secrets, having identified these threats beforehand. This task is laid down in the law on the general duty to defend the Republic of Poland. We translate this task into specific practical undertakings. In this sense, we must always identify dangers in good time.

[RZECZPOSPOLITA] Are there any dangers to our security right now, and if so, where are these dangers?

[Izydorczyk] The present dangers to our security can be considered to be the result of three interactive factors: The continuing disintegration of the former political and military system of strategy; the emergence of a new system of security, especially in Europe, but also on a global level; and the complexity of the new model of international security, with some participating countries being more energetic than others. Many of these countries are newly-emerged ones, with a different political orientation. We must prove equal to this challenge, and adapt our actions and structure to it.

[RZECZPOSPOLITA] The security service is being abolished and the Office for the Protection of the State formed before our very eyes, and yet one has the impression that our revolution has treated the WSI rather gently. What is left of the old intelligence service, especially the overgrown counterintelligence service that used to perform "important political tasks"?

[Izydorczyk] The changes to the WSI began sooner, already in 1989. I would even say these changes preceded the manifestations of democracy. First of all the Internal Military Service was abolished, the effect of which was the separation of the Military Police from counterintelligence. Thus, the counterintelligence service was deprived of its repressive structure and functions.

After a certain transitional period, after intelligence and counterintelligence had become part of the Second Administration of the General Staff in September 1991, and following the emergence of new challenges as a result of the Moscow putsch, the WSI was created. This new institution is controlled directly by the civilian National Defense Ministry.

[RZECZPOSPOLITA] The institution might be new, but what about the people in it?

[Izydorczyk] Many people have left or been dismissed from our institution over the past three years. For example, the ranks of counterintelligence have been reduced by almost 50 percent, and those of intelligence by 20 percent. In 1990, all the officers holding leadership posts were replaced, and last year three-quarters of all decisionmaking personnel were replaced yet again. Perhaps we lost some good people during this rapid change, but I think those who remain are loyal and professional. Their average age is 43, and 92 percent of them have completed higher education, with a knowledge of foreign languages. In any case, employment in the WSI requires a certain predisposition; after all, we are permanently in a state of combat. In intelligence and counterintelligence, there is no distinction between peacetime and wartime.

[RZECZPOSPOLITA] Apparently, you are a major source of information not just for the National Defense Ministry and the Army, but also for the Belweder [presidential residence]. It is said that you have expanded your scope to include economic matters. Is there a procedure whereby politicians formulate tasks for the WSI?

[Izydorczyk] We do occupy ourselves with matters that border on the economy, but only when they involve state security and defense. There are no special instructions in this regard.

[RZECZPOSPOLITA] You said that since 1989 Poland has been facing new challenges to its security. Could we discuss the political and military threats of Poland's security?

[Izydorczyk] Before we do so, I would like to make two things clear. First of all, our assessment of possible

dangers is much harsher than that of the Foreign Ministry or various opinion-forming circles, for the obvious reason that we use various sources of information, including our own. Secondly, we take care not to produce hasty assessments, so that genuinely disturbing facts and phenomena can be separated from events that are merely temporary or transitional. We constantly prepare and present analyses and forecasts on the subject of Poland's political and military security in the light of the situation in Europe and the world, the strength of the armies of other countries, the direction in which military technology is developing, and dangers from any particular quarter. Therefore, rather than discuss threats, I would prefer to discuss the factors that determine our security, factors which, by the way, are changing constantly.

[RZECZPOSPOLITA] Too bad. In that case let us discuss the factors which, in the WSI's opinion, determine Poland's security.

[Izydorczyk] We think there are two main factors. One is the speed of European unification, and the second is the permanence of the political changes in Central and Eastern Europe. Coupled with these is the fact that we still do not belong to any peace alliance, and yet the events in the Balkans have shown the ineffectiveness not just of European organizations, but of the United Nations as well. The main threat, which is not to be ignored, is an escalation of the Balkans conflict, its spread beyond its present confines, and an expansion of Islam. The only "achievement" in the present situation is the fact that the conflict is still confined to the territory of former Yugoslavia. This crisis shows the need for an effective system of preventing conflicts, reinforcing existing peace organizations and mechanisms of cooperation between them. The countries of Europe must agree on who should have the right to self- determination—whether countries, nationalities, or ethnic groups—because that will have a bearing on the functioning of the CSCE and on the development of events in Europe.

[RZECZPOSPOLITA] Is Poland suffering from increased infiltration by foreign special services?

[Izydorczyk] Poland is being infiltrated by various persons, but only after long and hard work can one tell whether any particular countries or services are behind this. Needless to say we have discovered numerous cases of infiltration since the beginning of the year. Some Polish Army units have been relocated, in accordance with the idea of an equal distribution of forces on Polish territory, and of course other countries are watching this.

[RZECZPOSPOLITA] But is it possible to say whether military espionage has increased or decreased?

[Izydorczyk] That kind of thinking is mistaken because general conditions have changed. Today, at a time when the Vienna accord has been signed and details of armed forces and armaments are being exchanged, that type of information is officially available. Various mechanisms have also been created to verify this information, such as inspections, observers, and so on. In addition, our military attaches can now ask their host countries directly for any information that is of interest to us. We have 26 attaches, mainly in Europe. But if we have any doubts about information, we try to verify it ourselves.

[RZECZPOSPOLITA] In what way has the change to Poland's political situation affected the work of the WSI?

[Izydorczyk] We have to take into account the unstable situation beyond our eastern border. The fact that no one knows what direction the changes inside the post-Soviet countries will take, and what the extent of these changes will be, poses difficulties. Some of the changes may be merely cosmetic.

However, the West's friendly disposition toward the changes in Poland enables us to work in a completely different way than before.

[RZECZPOSPOLITA] Are you suggesting that the GRU, the former Soviet military intelligence service, is still active in countries beyond our eastern border?

[Izydorczyk] All I am saying is that the changes in the east started at the top, and are only now percolating down to the bottom. The armed forces are an example. Therefore we do not exclude the possibility that former institutions may still be functioning at lower levels.

[RZECZPOSPOLITA] That means that new national intelligence services have still not taken shape.

[Izydorczyk] Certainly not completely. That is a long process.

[RZECZPOSPOLITA] Is the high concentration of Russian forces in the Kaliningrad Oblast not a danger to our security?

[Izydorczyk] Indeed, the concentration of forces there is exceptional from a military point of view, but perhaps it is only temporary. Our eastern neighbors have had difficulty with finding accommodation for their soldiers withdrawn from Germany.

[RZECZPOSPOLITA] No doubt the WSI is keeping an eye on the Russian units still left in Poland.

[Izydorczyk] Yes, but they do not constitute any danger. The combat units have already left Poland.

[RZECZPOSPOLITA] Poland, just like the other ex-Warsaw Pact countries, is now turning toward the West and taking part in the process of building confidence between all European countries. Where does the limit of confidence lie?

[Izydorczyk] That depends on each individual country because countries interpret openness in different ways.

[RZECZPOSPOLITA] But generally, there is greater openness among Western countries than among Eastern ones?

[Izydorczyk] Let me tell you, there is too much openness in Poland. That is partly the result of an intoxication with newly-found freedom, and partly the result of a desire to quickly regain credibility.

[RZECZPOSPOLITA] Let us return to the question of confidence-building in relations between countries. Does the West intend to abolish its embargo on exports of armaments and modern technology to countries like Poland, and liberalize the COCOM [Coordinating Committee for Multilateral Export Controls] regulations?

[Izydorczyk] Every country with modern technology, especially the kind of technology that has both civilian and military applications, protects it. One must realize that no country will share any of its technology that figures in the COCOM list with any other country unless it is certain that the new partner or ally will not pass it on. Therefore Poland must apply its rules and practices to the rule in force in the West. The problem is not that the West does not want to give us access to modern technology, but that it might deprive us of access to even more technology.

[RZECZPOSPOLITA] Are the latest events in Germany a cause for concern?

[Izydorczyk] I think Polish-German relations are taking shape very favorably, including in the military sphere. German military policy contains positive elements.

[RZECZPOSPOLITA] Is Germany not a priority subject of interest on the part of the WSI?

[Izydorczyk] We do not mention the names of countries on which our interest is targeted, but it is true that we have divided those countries in which we are interested into more important and less important. The distinction varies depending on the threats in existence at a given time.

[RZECZPOSPOLITA] What are the successes and failures of the WSI in its work?

[Izydorczyk] Let us not go into detail. In the WSI, it is not successes and failures that count, but the end result because that is what matters to Poland.

Sejm Calls For Government Aid for Defense Industry

AU1712111792 Warsaw PAP in English 2102 GMT 16 Dec 92

[Text] Warsaw, Dec. 16—The majority of the Sejm deputies who took the floor Wednesday [16 December] in a debate on a draft resolution on the defense industry in Poland supported the draft, which calls on the government to take radical steps to improve the industry's situation.

The speakers stressed that the industry was of paramount importance for the national defense capability, could provide growth impulses for the economy, and give employment to several dozen thousand people.

Government ministers who attended the debate agreed that the defense industry was important. However, the draft 1993 budget does not provide funds for the restructuring of the industry, and places the burden of restructuring upon the enterprises themselves, which should seek ties with foreign investors.

At present only 8 of the 28 firms in the defense industry remain creditworthy. The aggregate debt of the industry stands at 12 trillion zlotys (about 750 million dollars). The difficult situation is the result of a dramatic decline in sales to the former Soviet Union, the arms embargo instituted by the United Nations on Yugoslavia and Iraq, and the Polish Government's failure to make purchases to the extent promised at the beginning of the year.

By 258 votes to 56 and with 32 abstentions, the Sejm passed a resolution obligating the government to take specific actions with a view to helping the defense industry. The actions, to be taken immediately, include making decisions on the kinds of arms production that is needed by the armed forces and would be supplied by Polish producers, providing means for defense in the 1993 draft budget according to the requirements submitted by the ministries of defense and of industry, and means for restructuring of the defense industry for 1993.

New Liberal Coalition Formed in Sejm

PM1612102892 Wroclaw GAZETA ROBOTNICZA in Polish 9 Dec 92 p 18

[Interview with Grzegorz Schetyna, Liberal Democratic Congress general secretary, by correspondent E. Szczucka; place and date not given]

[Text] [Schetyna] A large new parliamentary caucus has been set up in the Sejm. Its composition includes the entire Liberal Democratic Congress [KLD] Parliamentary Floor Group, 12 deputies from the Polish Economic Program group, and five deputies from the Center Alliance Parliamentary Floor Group. Altogether, the new caucus has 53 members. The "spiritual father" of this operation of consolidating the center right groups is Donald Tusk.

[Szczucka] Who will head the caucus?

[Schetyna] The presidium will include the following deputies: Pamula (KLD), Bankowski (Polish Economic Program), and Urbanski (Center Alliance's "Group of Five"). We have not yet decided who will be our chairman, but this is not the most important consideration. The essential thing will be our program and our legislative initiatives in parliament.

[Szczucka] Some people say that the Center Alliance members moved across to the KLD in the hope of securing ministerial portfolios for themselves. Is this true?

[Schetyna] Naturally, participation in the government coalition is seen as a step to participation in the government itself. However, having held in-depth talks with Andrzej Urbanski, I believe I can say that his decision is a conscious political choice. The reaction which our decision elicited from the Center Alliance leader was to be expected—as were his comments—and I am not surprised by them. We could hardly have expected him to rejoice over losing yet more deputies from his parliamentary floor group.

[Szczucka] We note the gradual forging of ever closer ties between the KLD and private business circles.

[Schetyna] The KLD seeks support in private business: I am thinking here of both employers and employees' interests. We are very interested in establishing good contacts with the Business Center Club, the Confederation of Polish Employers, and the Polish Capital Club. These are the pillars of the economic reform. We want to represent entrepreneurship in the broadest sense of the term.

[Szczucka] Are businessmen interested in financing promotional campaigns of parliamentary candidates in the next election out of their own funds?

[Schetyna] We will discuss the practicalities as we work out the broader platform of our cooperation. Of course, we could aim to engineer a political compact based on an alliance of private business and the KLD, which will promote Polish entrepreneurial policies in parliament. Such a move will be both in the interest of Poland's business spheres in their entirety and of the KLD as a political party.

[Szczucka] Does this mean that you are already seriously planning a new election campaign?

[Schetyna] Indeed we are.

[Szczucka] How many members does the KLD have now?

[Schetyna] We have a membership of 3,500. During the election 800,000 people voted in our favor. We are a classic elite party. We are small, but we have a massive electorate behind us!

[Szczucka] Thank you for talking to us.

Niewiarowski Attempts to Resolve Coalmine Strikes

LD1612224292 Warsaw PAP in English 2148 GMT 16 Dec 92

[Text] Warsaw, Dec. 16—The Minister of Industry and Trade Waclaw Niewiarowski cut short his visit to Austria, Switzerland and Lichtenstein Wednesday [16 December] and returned to Warsaw because of the strikes in Polish collieries.

In the afternoon the minister told PAP that the government allocated today another 38 bn zlotys (ca. 2.5 m dollars) for the restructuring of the Walbrzych region, in addition to the 5 bn zlotys allocated earlier.

"We are doing what we have promised," the minister explained, adding that a team working on the restructuring project was losing no time.

A rotational strike erupted in the Walbrzych coal basin, south-western Poland, yesterday. According to its organizers, the regional chapter of Solidarity Trade Union, the strike was a protest against the government's failure to act on the restructuring programme badly needed by the region hit by snowballing unemployment and against failures to keep promises made earlier.

Commenting on the strikes in Silesian collieries, Niewiarowski admitted he "did not understand the scale and character" of the strikes which, in his opinion, "could waste the work done together with trade unions on a restructuring programme for coal mining in Poland." The minister will address the Sejm on the situation in mining on Thursday, his press spokeswoman announced today.

Niewiarowski sent a letter to the leader of the national mining commission of the Solidarity Trade Union Waclaw Marszewski today. In it the minister recalls the successive stages of joint discussions by government officials and trade union activists aiming at formulating a programme of restructuring for the Polish coal mining sector. "I believe that the joint work has produced results and we are now closer to the start of restructuring. The present strike, and above all its character, can be an obstacle to everything that we have so painstakingly worked out," Niewiarowski said in the letter.

Ties With Former USSR Republics Examined

AU1612205192 Bucharest ROMPRES in English 2007 GMT 16 Dec 92

[Text] Bucharest, ROMPRES 16/12/1992—The Romanian executive analysed, during its meeting of Wednesday, December 16, the dynamics of the actions taken so far with a view to regulate the economic relations between Romania and the former Soviet republics.

A survey was made of the demarches made so far to this effect, over 1991-92, such as: long-term commercial agreements, using world standard prices in the current transactions, settlement of accounts in convertible currencies, using all forms of trade accepted worldwide, commercial and governmental protocols to protect investment and avoid double taxation.

During the talks it became clear that the volume of trade had gradually decreased significantly, the only relations that stayed on a certain level being those with the Russian Federation, Ukraine, the Republic of Moldova, while those with the other former Soviet republics were very reduced.

The discussions evinced the fact that for the development of the relations with those republics it was necessary to establish strategies per countries or groups of countries, that will lay stress on certain priority targets.

Thus, an important role will still be held by the relations with the Russian Federation and Ukraine, which are important sources of raw materials and markets for the Romanian goods, a preferential treatment would be granted to the relations with the Republic of Moldova, with a view to gradually integrate the two (Romanian and Moldovan, our editorial note) economies, and priority will be given to exports of Romanian goods to the Asian republics.

As for the other countries, which do not offer in the immediate future the possibility of significant commercial exchanges, the Romanian Government will see to the establishment of a juridical framework that will promote and protect the interests of the Romanian economic agents and a better acquaintance with the cooperation possibilities.

Spiroiu Discusses Security, Yugoslav Conflict

AU1712115892 Bucharest ROMPRES in English 0956 GMT 17 Dec 92

[Text] Bucharest, ROMPRES 17/12/1992—In an interview granted to weekly ZIG-ZAG, the Romanian Defense Minister Niculae Spiroiu says it is unlikely that the war in Yugoslavia should spread to the entire Eastern Europe, and that is due to the fact, in his opinion, that "the structures acting for security are more and more efficient. Anyway," he stressed, "I think Romania will continue to be an element of stability in the area. It all depends however on the developments in the former USSR. Things there are still on the move. What worries us are the paramilitary organizations that escape the control of the authorities, which assume an ever stronger aspect of fascist movements; they are being opposed by conservative communists. What matters for us is what is going to come out from the confrontation between these two forces." The minister thinks that, for the time being, there is no reason for these conflicts to slide towards Romania."

"In this part of the world," Minister Spiroiu showed, "the conflicts were born before the mechanisms to control them were devised. The communist regimes were removed, but the difficulties of the transition process sparkled interethnic conflicts and revisionist tendencies. The security structures developed have not become fully operational yet, that is why everybody is looking for solutions." Lieutenant General Spiroiu does not think a new world war was impending, but he is afraid "the danger is there, due to natural disfunctions in this part of the world. Those who triggered this dangerous course are themselves far from being aware of its magnitude. There is now a time clock race between security structures and the conflicts emerging in this area," the Romanian defense minister said.

First 'Open Skies' Flight Over Hungary Set

AU1612195492 Bucharest ROMPRES in English 1823 GMT 16 Dec 92

[Text] Bucharest, ROMPRES 16/12/1992—In keeping with the "Open Skies" agreement between the Romanian and Hungarian Governments, over December 16-18 the Romanian side will take a first observation flight over the Republic of Hungary, reads a communique sent to ROMPRES by the Romanian Defense Ministry's press office.

The photographic equipment on the plane will be French-made.

The agreement stipulates that during the flight the plane's crew will be accompanied by a team of military specialists of the Hungarian Army.

Iliescu, Rabbi Discuss Curbing Anti-Semitism

AU1712114692 Bucharest Radio Romania Network in Romanian 1100 GMT 17 Dec 92

[Text] Romania's president, Mr. Ion Iliescu, today received His Eminence Doctor Moses Rosen, chief rabbi of the Jewish community in Romania. The meeting, which was held at Cotroceni Palace, took place at the latter's request and its aim was, as his eminence said, to brief the head of state on the latest anti-Semitic manifestations in Romania and to request the presidency's support in order to initiate and submit to Romania's Parliament a law designed to punish anti-Semitic, interethnic, and inter-racial manifestations and instigations. This action, supported by others, could avoid, his eminence told journalists, a repetition of the tragedy experienced by Jewish citizens during World War II.

Yugoslav Planes Reportedly Bomb Srebrenica

LD1612170392 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 16 Dec 92

[Text] Unfortunately, civilians of the free town of Srebrenica [in eastern Bosnia] have had to face fresh horrors. Due to communication difficulties, we can only now report—after a one day delay—that Serbian aircraft from bases in Ponikve [in Montenegro] and Valjevo [in Serbia] bombed Srebrenica seven times yesterday, killing 70 civilians, including 18 children. A protest has been sent to the CSCE and the UN about this.

Serb Violations of No-Fly Zone Reported

AU1612121992 Paris AFP in English 1123 GMT 16 Dec 92

[Report by Michael Adler]

[Excerpts] Sarajevo, Dec 16 (AFP)—Serb forces have continued to violate a U.N.-mandated "no-fly zone" in the embattled former Yugoslav republic of Bosnia-Hercegovina, Radio Sarajevo reported Wednesday [16 December].

The radio said the separatist Serb forces had flown helicopters over the besieged northern Bosnian town of Gradacac on Tuesday at 11 p.m. It said there was increased shelling of the town and positions of the town's Moslem defenders overnight.

The Bosnia Hercegovina Press agency here had reported Tuesday that in another sector, Yugoslav army planes attacked eight times and bombed three districts in Srebrenica-Bratunac and Vlasenica in eastern Bosnia, near the border with Serbia, on Monday.

The reports could not be immediately confirmed. [passage omitted]

Gradacac, Brcko and Maglaj form a key front area where Serbs are driving from east to west to create a corridor in northern Bosnia linking territory they hold. A western general here said most of the upcoming fighting in Bosnia would be in this sector, rather than in Sarajevo.

Radio Sarajevo reported artillery attacks by Serbs in Brcko overnight.

In Zagreb, Radio Zagreb, cited by the Croatian news agency HINA, said there were Serb infantry assaults and heavy artillery in the region of Brcko and around Gradacac, which was heavily bombarded with heavy artillery overnight.

It also reported heavy shelling in Maglaj, which lasted about two hours, and infantry assaults by Serb forces waiting for reinforcements for an upcoming offensive.

The besieged Bosnian capital Sarajevo was relatively quiet Wednesday, with occasional shelling. The city, where citizens are under increasingly harsh conditions as winter worsens, was blanketed in thick fog that makes aiming artillery difficult.

Serb gunners and snipers shoot at the city from hills overlooking the town.

Bundestag Deputy, UN Vehicle Shot at in Sarajevo

LD1612165792 Hamburg DPA in German 1537 GMT 16 Dec 92

[Excerpt] Sarajevo/Zagreb (DPA)—Hans Stercken, Bundestag deputy and chairman of the Foreign Affairs Committee, came under automatic weapon fire in the Serbian sector during a visit to the Bosnian capital.

Stercken announced in Zagreb today that he was on his way to Sarajevo together with a member of staff of the German embassy when the armored UN vehicle was deliberately attacked and hit by several shots.

Stercken, the German diplomat, and the Egyptian crew of the vehicle escaped unhurt. Stercken expressed regret for the lost authority of the United Nations, which "could not have expressed more clearly" the identity of the vehicle; it was painted white and carried a UN sign. [passage omitted]

Serbs Explode Mines on Zemunik Base Airstrip

LD1612220992 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 16 Dec 92

[Excerpt] The Serb aggressor is continuing to explode mines on the civilian airstrip at Zemunik air base. An explosion damaged a large part of the strip several days ago.

A very strong explosion rocked the Zadar area today at 1400. Explosives on the civilian strip of the air base, which is controlled by our forces, were again activated. One man was killed and the strip was again damaged.

An investigation is underway, but it can be said that the civilian strip is mined and that the enemy is activating previously planted mines by remote control. UN Protection Force representatives have been informed. [passage omitted]

Muslim Forces Reportedly Kill Serb Civilians

LD1512233592 Belgrade TANJUG Domestic Service in Serbo-Croatian 2041 GMT 15 Dec 92

[Text] Bratunac, 15 Dec (TANJUG)—Muslim forces killed 100 civilians, mainly women, children, and elderly people, in the Serb villages of Bjelovar, Sikirici, and Voljevica yesterday and last night, SRNA reports quoting Serb military sources.

One of the survivors, Slavoljub Filipovic, whose wife and two children fled by jumping into the River Drina—and so he does not know what has happened to them—testifies about this crime.

The bodies of 23 murdered civilians, that is seven women, eight elderly people, and eight men older than 40, were brought to the health center in the town of Bratunac by 1400 today, SRNA reports.

Recovery of the bodies has continued into the night in difficult circumstances because Muslims are shooting at everything that moves in these three plundered villages.

Croats, Muslims Said To Intensify Attacks

LD1712114692 Belgrade TANJUG in English 1101 GMT 17 Dec 92

[Text] Bileca, Dec 17 (TANJUG)—Croatian Armed Forces shelled Serb positions on the Trebinje front on Wednesday [16 December] night, the local Serb command in Bileca said on Thursday. Croat-Muslim troops intensified their attacks on Serb positions on the Capljina-Stolac and Mostar-Nevesinje fronts.

Muslim forces also opened fire on Serb positions in the region of Konjic, Kalinovik and Foca, eastern Bosnia, Serb military sources said. The Muslim Army on this part of the front is trying to sneak sabotage and terrorist groups into freed Serb territory. Muslims are preparing a new offensive to recapture the roads connecting Mt. Igman (near Sarajevo) and the Foca-Gorazde strip.

Fighting continued on most Bosnia-Hercegovina fronts on Wednesday. Judging by the reports, the fighting seems to be abating. Larger-scale fighting raged in the area of Bratunac, eastern Bosnia, where Serb units continued pushing back Muslim forces from Srebrenica, which three days ago raided several Serb villages and massacred the Serb civilians.

Humanitarian Convoy Fails To Reach Tuzla

LD1612161392 Belgrade TANJUG in English 1555 GMT 16 Dec 92

["Pool" item]

[Text] Belgrade, Dec. 16 (TANJUG)—A Red Cross convoy carrying relief aid for the population of Tuzla returned to Belgrade on Wednesday [16 December], spokeswoman of the Belgrade-Bureau of the International Committee of the Red Cross (ICRC), Inger Marie Vennize, has told TANJUG.

The convoy was on Tuesday stopped [words indistinct] large group of women at the Karakaj border crossing between the former Yugoslav Republic of Bosnia-Hercegovina and the Federal Republic of Yugoslavia and close to the town of Zvornik.

"Four trucks with food, medicines and other aid have returned, but they will try to reach Tuzla again over the next few days," Vennize said.

The convoy for Muslim-controlled Tuzla was halted by a large group of Serb women angry over Monday's massacre of their families and relatives by the Tuzla Muslims.

This crime remained almost unnoticed by the international public although scores of mutilated bodies—mainly women, children and the elderly—were returned to their families in the Serb villages in this area.

Ministry Issues 'Sharp Protest' to UN Officials

AU1612191292 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 16 Dec 92

[Report by Predrag Smoljan]

[Excerpt] [Begin recording] [Smoljan] The Bosnia-Hercegovina Ministry of Foreign Affairs yesterday issued a sharp protest to UN representatives in Sarajevo over the fact that no humanitarian aid has reached the town for 15 days now, and also that the town has lacked water, electricity, and fuel for an even longer period of time. In view of this, Jugoslav Jancic, spokesman of the Ministry of Foreign Affairs, addressed journalists today:

[Jancic] We can now state that not a single task, point, or UN resolution is being realized. The Sarajevo blockade is tighter than even before, which makes us conclude that these events—for which the UN Protection Force and Office of the UN High Commissioner for Refugees are responsible—along with the aggressor's blatant intentions to finish off the Bosnia-Hercegovina capital are not merely a coincidence. I repeat, it (?cannot be) [words indistinct].

[Smoljan] In the Foreign Ministry's assessment, the peace announced by the aggressor represents yet another of the numerous propaganda moves that the aggressor timed to take place on the eve of today's meeting in Geneva and numerous other international gatherings, including the UN Security Council session, which is supposed to pass significant decisions regarding Bosnia-Hercegovina, Jancic said, adding:

[Jancic] You destroy someone's country and nearly everything in it, you kill several hundreds of thousands of civilians, and chase millions of people from their homes, and then you offer peace. History does not record such a disgrace!

[Smoljan] In response to numerous questions, mostly from foreign journalists, regarding what the people and Government of Bosnia-Hercegovina expect will happen on 15 January—the deadline that the Islamic Conference Organization set to the UN for a more decisive action in Bosnia-Hercegovina—the official representative of the ministry gave the following answer:

[Jancic] We have far greater expectations as to what will happen before this date. We have become increasingly

convinced lately that a significant turnabout could occur in the meantime, and not after 15 January. The summit in Edinburgh, [words indistinct], and the session of the UN General Assembly in New York all encourage us. We will probably be able to believe the same after today's meeting in Geneva. [passage omitted] [end recording]

Interior Ministry Warns of Further Attacks

LD1612202892 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 16 Dec 92

[Report by Zeljko Ruzicic from Sarajevo]

[Text] Referring to a recent chetnik announcement about an end to the war in the area, Miroslav Jancic, spokesman for the Ministry of Foreign Affairs of the Bosnia-Hercegovina Government, speaking at a news conference this morning, described [Serb Republic of Bosnia-Hercegovina Prime Minister Radovan] Karadzic's offer to this effect as yet another in a whole series of propaganda moves made before important international meetings. The spokesman asessed today's ministerial meeting in Geneva as another staging post along the path of Bosnia-Hercegovina's salvation, stressing that spectacular effects should not be expected from the Geneva session, but that it could exercise considerable influence over the UN Security Council to pass more effective measures to stop the aggression against this sovereign state.

The Ministry of Internal Affairs of Bosnia-Hercegovina has just announced that it has obtained reliable evidence that the chetniks are preparing fresh, even more vehement, artillery and tank attacks against Sarajevo. These attacks will be carried out in retaliation for a number of recent defeats on the territory of Bosnia-Hercegovina, especially on the Sarajevo battlefront. Preparations for further heavier attacks on Sarajevo are being carried out at the same time as the chetnik leader, Radovan Karadzic, is loudly announcing an end to the war.

The Ministry of Internal Affairs of Bosnia-Hercegovina today appealed to the people of Sarajevo to return to their shelters, to provide extra protection for children and the infirm, and to avoid moving outdoors.

The War Police Command announced that a commando group today penetrated into the chetnik district of Nedjarici and succeeded in capturing a large number of machine guns, other weapons, and ammunition. In several other commando actions on the Sarajevo battlefront overnight and this morning the defenders destroyed three chetnik emplacements at the line of siege.

Abuse of Women in Serbian Camps Reported

93BA0344A Ljubljana DNEVNIK in Slovene 19, 20, 21 Nov 92

[Unattributed article in three installments: "Camps Are Also for Raping"]

[19 Nov p 17]

[Text] *People are raped systematically in Bosnia-Hercegovina in order to undermine the enemy's morale; so far the Serbs have reportedly raped 30,000-50,000 Muslim and Croatian women, and in Zagreb there is a girl who is supposed to have been raped 1,350 times.*

The war in Bosnia has been going on for months now, and every day the kind of reports are coming that no longer seemed possible to us because of their outrageousness. Particularly disturbing are the reports on the atrocities from which the civilian population has to suffer. As a special group from the U.S. human rights organization Helsinki Watch has now revealed, there are camps in Bosnia not only for Muslim prisoners, but also for Muslim and Croatian women, where they are systematically raped—i.e., degradation as a weapon used to undermine the enemy's morale. So far 30,000-50,000 Muslim and Croatian women have reportedly been raped in Bosnia.

Seventeen-year-old Marijana conceals her swollen belly under an oversized morning-gown when she walks through the corridor of a gynecological clinic in Zagreb. A typical adolescent, small, with a slightly stubborn expression on her face. A psychiatrist waits for her in a room at the end of a corridor. Marijana will soon give birth to her first child. It will be an unwanted child, and Marijana does not even want to see it. The child is already up for adoption, even before it has been born.

Raped 1,350 Times?

Marijana's still unborn child is the consequence of one of 1,350 rapes. For four and a half months, Marijana was in a Serbian camp for women in the vicinity of the northern Bosnian town of Tesanj. The only purpose of that camp is rape. According to her own testimony, she was raped at least 10 times a day by different men. This amounts to at least 1,350 rapes. Now, before the birth of her unwanted child, Marijana does not even want to speak with anyone. She is seriously depressed, according to her psychiatrist, Jarmila Skrinjaric. Before this, however, she spoke with her doctors and with reporters.

On a certain day in March 1992, the Serbs, that is, members of irregular units, came to Marijana's village Tesanj. Marijana, whose father is a Muslim and whose mother is a Croat, her seven-year-old sister, and her mother were working in the garden when the chetniks caught them by surprise. Then they took Marijana to the camp, a wooden house in a nearby forest. Marijana was housed in one room along with 20 other women and girls.

Day After Day, Night After Night

All the girls and women were raped by different men day and night, with their naked bodies pressed against the wall, from in back, from in front, and sometimes even by several men at once. There were even more women in other rooms in that wooden house, Marijana said; she heard their cries. At the end of July, a disguised Croat

helped Marijana and 11 other women to escape. She said once that it was her brother, and another time that she did not know exactly who helped them. They somehow managed to break through to the Muslim-Croatian area, and then Marijana succeeded in getting to Zagreb—how, she can no longer remember. She was in complete shock, according to her gynecologist, Ivan Kuvacic. It was already too late for any sort of abortion.

Marijana is one among probably tens of thousands of cases. At the end of September Serbian Metropolitan Dabro Bosanski Nikolaj, the highest dignitary of the Serbian Orthodox Church in Bosnia-Hercegovina, stated on the independent Belgrade TV program Studio B that he thought there were 30,000 raped Muslim and Croatian women, who were already pregnant. The Bosnian Ministry of Internal Affairs, however, estimates the number to be 50,000.

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Degradation As a Weapon

The number is so high because rapes, in the Serbian war against Bosnia-Hercegovina and in ethnic cleansings, are not a by-product but rather a goal, an important element that was obviously ordered in advance.

"It is a system; there is no doubt about that," said the head of the U.S. human rights organization Helsinki Watch's investigation. She does not want to see her name published, because the investigations in Bosnia-Hercegovina are not yet complete. In recent weeks, together with her assistant, she has interviewed 50 women who are former camp inmates. The subject of these conversations was the conditions in the camps. "Except in a few rare cases, all the women told me that they had been raped. Some of them were kept in separate rooms for two or three days, and some for up to 40 days, and in all cases there were gang rapes."

Three "Types" of Rapes

All these rapes can be divided into three "types." First of all, rape occurs when Serbs—members of the former "Yugoslav Army," reservists, and members of various irregular groups, as well as Serbs from the surrounding area—break into Bosnian areas. Then they commit wholesale murder, rob, drink, and rape. This has been reported by thousands of survivors. All the important and educated people, according to these reports, are killed on the spot, and the men are separated from the women and children and taken to prison camps.

In these camps, of which there are 120 in Bosnia-Hercegovina, according to information from the Bosnian Government, the rapes are continuing. The rapists came at night to the Trnopolje camp near Prijedor in northwest Bosnia, through which thousands of Muslims and Croats have passed.

"They illuminated us with pocket flashlights and selected several women and girls," reports 42-year-old Enisa Vehabovic of Prijedor. "Most of the girls and women never came back again. During the five days in July that Enisa survived in Trnopolje, 15 women were taken out of her room. Of all of them, only two returned—an approximately 30-year-old woman who was in her fourth month of pregnancy and suffered an abortion after a rape, and a 14-year-old girl, the sister of a friend of Enisa's brother. She was bleeding horribly and constantly crying, 'Mama, take me to the doctor.'"

Testimonies of Stories and Survivors

A third form of sexual violence against women is being carried out in special rape camps, the kind that Marijana, mentioned in the beginning, was in. The Bosnian Government's office in Zagreb knows of 17 such camps, and a report from the Muslim church in Sarajevo mentions others as well. In any case, it is difficult to draw a line between the rape camps and the houses, hotels, and restaurants in which a smaller number of women are held prisoner and raped.

Everything indicates, however, that organized camps for rape really do exist. This is also demonstrated by the testimony of 40-year-old teacher Besima from the north Bosnian area of Donja Grapska near Doboj, a testimony that is characteristic in many respects. When Donja Grapska surrendered at the beginning of July, the Serbian conquerors drove all the residents into the center of the area and separated men from women. Then, using lists, they called out specific women, who were either educated, married to influential men, or pretty. Besima is a teacher and furthermore married to the local president of the Muslim party. Along with 500 other women, she was taken to a certain secondary school in Doboj.

She Was Raped by Her Husband's Business Colleagues

They kept her there for 15 days. Along with 120 other women, she spent the days in the school gymnasium, and the nights in a certain classroom—unless it was "her turn." Every night 10 to 15 women had to remain in the gymnasium, who were raped one after another by different men. "They also included men whom I knew, my husband's business colleagues," Besima said.

"Most of them smelled like alcohol and some of them were forced by other Serbs to participate in the rapes. During the rapes they boasted. They told us, 'Now you will give birth to little chetniks and multiply our population,' or 'You wanted Izetbegovic (the Bosnian president, who is a Muslim), now you have him.' Even young girls eight or nine years old were raped," Besima reported. Most of them then bled to death. One night the Serbs brought their corpses into the sleeping spaces as a warning," Besima said. Altogether she saw eight dead girls. On 23 July, Besima was exchanged for a Serbian fighter who was captured by the Muslims.

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Too Many Survivors and Too Many Stories

With these stories from different women, a person's blood freezes in his veins and our civilized reason resists believing that something like that can happen in today's Europe. This is perhaps one of the reasons why the international community is calmly watching the Serbs' savagery in Bosnia-Hercegovina. What cannot be true obviously is not true. They constantly negotiate and state that nevertheless "nothing is documented and proven."

There are too many survivors, however, and too many stories reporting on systematic multiple rapes, and too many things coincide in these reports. There are also explanations for the monstrous atrocities.

"You must not use your Western, European criteria, but instead you have to choose a completely different attitude," said Musadik Borogovac, the head of the investigating commission for war crimes in the Bosnian Government's office in Zagreb. "You have to proceed from the fact that this war was planned by very intelligent people, and is being carried out by a population that is at the lowest level of civilization."

Different Functions of Rape

"Rapes have different functions," explained Borogovac. "First of all, they represent punishment for 'traitors.' In the Serbs' eyes, the Muslims are former Serbs who adopted the enemy religion during the five-century Turkish occupation of Bosnia-Hercegovina and went over to their side. That is why they rape in the most degrading possible way. Usually women in a crouching position are raped from behind, and the rapes take place in public. Other Serbs are present, but also the victim's closest relatives."

Gang rapes strengthen ties among the Serbs. Often, the women report, "outside" Serbs were forced by weapons to participate in the rapes. "The Serbs are thus forcing all other Serbs to become their adherents, while in this way they demonstrate to the women and Muslims who have to watch it that they are not their people," stated Musadik Bogorovac. Former Serbian neighbors and colleagues are "taught" that the Muslims should be scorned, and this reduces their hesitation over persecution and destruction, the actual goal of the war.

Crimes That the World Is Keeping Silent About

The rapes, and especially the fact that the women conceive, represent not only the complete degradation of the women, but also of male enemies. Both in Serbian and Muslim families there is a strong patriarchal orientation, and for a Serbian fighter there is no greater victory celebration than returning to his enemy a pregnant wife, sister, or mother.

"These women are a message from man to man, the complete degradation of the woman to the level of an object," stated Mihada Kadic, who is especially investigating crimes against women in the Bosnian communications office in Zagreb. Mihada Kadic also went a step further: "Girls and young women, the part of the Bosnian population capable of reproduction, are kept in the rape camps. They are systematically destroyed there. Even in cases in which they are rescued alive, do not think that they will ever be capable of normal sexual relations. It is part of the genocide against the Muslim population."

Pleasant Expression "Ethnic Cleansing"

The world is keeping silent about these crimes. To be sure, all the missions to the former Yugoslavia, the Office of the UN High Commissioner for Refugees [UNHCR], and the International Red Cross have received appeals to inform the UN Human Rights Commission about the crimes. No one is intentionally collecting information, however. "We are only reporting on what we have come across in our work by the force of circumstances," said Michael Keats of the office of the UN commissioner for refugees in Zagreb. That office has not yet heard anything about rape camps, only about "gangs of rapists" who go from area to area. The International Red Cross also does not know anything about rape camps. It is true, however, that the Red Cross has to work in a very limited area and has to strive for good relations with the Serbian authorities. The camps that its representatives can see are the ones that they have in order to "be shown." They cannot go near the "death camps," the survivors report.

Thus, nothing is happening, and the whole thing is quietly continuing. "The world has invented a very pleasant expression to describe all this: ethnic cleansing. But it is a renewal of fascism," said Mihada Kadic.

Talks on Prisoner Exchange Concluded

LD1612233492 Belgrade TANJUG Domestic Service in Serbo-Croatian 2201 GMT 16 Dec 92

[Text] Budapest, 16 Dec (TANJUG)—Yugoslav-Croatian talks on the exchange of prisoners and the search for missing persons in the war in Croatia were concluded today in Budapest with an agreement in principle by the two sides that the release of remaining prisoners should, if possible, be carried out by 9 January 1993.

The two sides, led in the two-day negotiations by Mirko Strbac, colonel in the Yugoslav Army, and Josip Kardum, Croatian deputy minister of justice, did not agree on details because of the lack of information on certain persons, nor on which of the people proposed for the exchange qualify for the status of prisoner of war. According to Col. Strbac, representative for the Yugoslav side, the Yugoslav army recognizes the status of prisoner of war [POW] in the case of about 30 people whom it is prepared to exchange.

A total of 65 persons should be involved in the exchange between the two sides, but some of them are in prisons on the territory of the Republic of Serbia, which causes difficulties since the Yugoslav side cannot decide on their fate. It was agreed that the delegations of the two sides should remain in contact until 9 January in order to determine technical and other details.

According to Col. Strbac, with these two days of talks in Budimpest under the auspices of the International Committee of the Red Cross, the implementation of last summer's agreement between Milan Panic and Franjo Greguric, premiers of Yugoslavia and Croatia, on a complete exchange of POWs on the principle of all-for-all is nearing conclusion. For this "however", as both sides stress, it is necessary to resolve certain outstanding issues concerning the lists of POWs.

Vance, Owen To Meet With Izetbegovic, Tudjman

AU1712122292 Paris AFP in English 1136 GMT 17 Dec 92

[Text] Zagreb, Dec 17 (AFP)—Peace negotiators Cyrus Vance and David Owen [cochairmen of the Conference on Yugoslavia] arrived in the Croatian capital Zagreb Thursday [17 December] in a fresh diplomatic effort, after Owen spoke out against using force to end the carnage in Bosnia-Hercegovina.

The office of the United Nations Protection Force confirmed the arrival of the two men Thursday morning. They were to meet during the day with Croatian President Franjo Tudjman and Bosnian President Alija Izetbegovic, who arrived here Wednesday.

Vance and Owen flew in after attending a one-day ministerial conference in Geneva Wednesday that called for stepped up pressure on Serbia—widely accused for most of the atrocities in Bosnia—but revealed differences on how forceful the U.N. should be in trying to stop the bloodshed.

Before heading to Zagreb Thursday, Owen, who represents the European Community, said he did not favor the use of force to enforce the no-fly zone over Bosnia.

"I'm ready to use force, but I don't want to use it. I don't see great joy in using force, if you can achieve your objective through negotiation," he said in an interview broadcast by the BBC in London.

Owen said he felt using force, as urged Wednesday by former British Prime Minister Margaret Thatcher, would require moving U.N. troops and personnel to safe zones.

"The main purpose is to fight winter, to fight the danger of losing hundreds of thousands of lives because food and essential medical supplies are not getting through," he said.

This contrasted with statements in Geneva Wednesday by U.S. Secretary of State Lawrence Eagleburger, who condemned Serbian leaders and called for "more aggressive measures", including enforcement of the no-fly zone and reexamination of the arms embargo on Bosnia-Hercegovina.

To step up their diplomatic offensive, Vance and Owen on Wednesday also annouced they intend to arrange a meeting in Geneva in early January between the heads of the three warring prties in Bosnia—Bosnia's nationalist Serb leader Radovan Karadzic, Bosnian Croat leader Mate Boban and Izetbegovic, representing the Moslem-led government.

Owen said this meeting would aim not only for a lasting end to hostilities and the demilitarization of Sarajevo, but also for a move back from front lines and free movement for civilians and humanitarian aid. Differences over whether to use military means to pressure Serbia also emerged as North Atlantic Treaty Organization foreign ministers gathered for a meeting in Brussels Thursday. British Foreign Secretary Douglas Hurd said the session was unlikely to discuss military action in Bosnia, while a French diplomat said enforcement of the no-fly zone—as urged by France— would certainly be on the agenda.

Senior Officer Views Army Operations

AU1612122292 Zagreb VECERNJI LIST in Serbo-Croatian 6 Dec 92 p 5

[Interview with Djuro Decak, deputy commander-in-chief of the General Staff of the Croatian Army for Land Forces, by Sasa Lekovic; in Zagreb on 4 December: "Variants for Both War and Peace"]

[Text] Zagreb—A year ago, after the 127th Virovitica Brigade took part in the "cleansing" of Bilogora and

some other operations involving the liberation of occupied territories in the Republic of Croatia, Djuro Decak, a native of Virovitica, known to the public as a member of the "Virovitica Quartet", who were court martialed in Zagreb by the former Yugoslav People's Army just prior to the open aggression on Croatia, gradually emerged from anonymity as a commander in the Croatian Army.

A year later, today, Djuro Decak is the deputy commander-in-chief of the Croatian Army's General Staff for Land Forces. We talked to him on the third floor of the Ministry of Defense building. This is the very building where the "Command of the Fifth Army District" of the former Yugoslav People's Army had its headquarters and from where many strings were pulled at the beginning of the war against Croatia.

In his office, along with a map of Croatia, is a souvenir from Pozega and the flag of the Sports Company of the 127th Virovitica Brigade. Decak comments that he "hasn't really moved in yet". On Friday, when this interview was conducted, Djuro Decak was technically still a brigadier. Yesterday, President Tudjman formally promoted him, along with a large group of other officers, to Major General. As of tomorrow, a new "personnel plan" at the top of the Croatian Army, will be effective.

Ability and Quality

[Lekovic] What is all this actually about?

[Decak] Well, you see.... the Croatian Army is currently in a phase of restructuring, of new systematization, and this automatically means bringing in new people. That means that the revolutionary right will be respected, room will be made, so to speak, for those people who proved themselves during the war, and who are capable of doing this complex job. With the promotion of Army General Janko Bobetko into the commander in chief of the General Staff, it is understandable that he will define a new personnel policy according to his view of the qualitative and quantitative representation of the General Staff and the Ministry of Defense of the Republic of Croatia. I cannot speak about details. All this is still at the proposal phase. In general, the only competent person for the proposals we are suggesting is the commander in chief, President of the Republic Franjo Tudjman.

[Lekovic] You mentioned two criteria for the personnel changes in the Croatian Army. The contribution to the war and expertise, and professionalism. Which one will be more important, when the decisions are made?

[Decak] We have to be represented in such a way so the Croatian Army is recognizable, that it is a true people's army. On the other hand, we must maximally respect expertise. I believe that at the very beginning of the liberation war, there was a certain antagonism towards those officers and noncommissioned officers of the former Yugoslav People's Army who had put themselves at the disposal of the Croatian Army. We outgrew that a long time ago. Therefore, as far as I am concerned, and I am sure that General Bobetko is of the same opinion, the only criterion is the ability and quality of these people.

Ready for All Options

[Lekovic] Just a few months ago, an officer in the United Nations Protection Forces told me: we know that Croatia is expecting us to leave in the spring of 1993, and that it is preparing to solve the problem of the occupied territories by armed force. A couple of days ago, at his monthly press conference, President Tudjman said more or less that the mandate of the United Nations Protection Forces should not be extended, but that he does not expect a resurgence of the war in Croatia.

[Decak] I can say what the attitude of the official policy of the Republic of Croatia is. Anyway, I do not want to quote the president. It is not for the army to dabble in politics. The army must implement state policy and respect it to the maximum. That means that if the commander in chief issues an order for us to execute an assignment, regardless of what it is, in Croatia, since we have no intention of intervening outside our state, we will carry out that order. The army defines the tactics and acts accordingly. I sincerely hope that there will not be a continuation of war operations, but we are not leaving anything to chance. We are preparing a new organization of the Croatian Army. You understand, of course, that I cannot discuss numbers, nor the deployment of units, but I will say that the new organization will be adequate for the defense of the whole territory of Croatia at any given moment. It is understood, that if we are forced to do it, we will clear that part of Croatian territory that is still in the hands of the enemy. Personally, as a human being, I would be sorry to see it come to that. I know that that is also the attitude of official Croatian policy. However, we must leave things to time. Let us not forget that in politics, certain things are influenced by the individual, that is by policy, and certain things are influenced by time. I believe, as far as peace throughout the entire territory of Croatia is concerned, that time is on our side. If we could succeed in implementing constitutional order throughout our territory without using force, I would be the happiest man alive.

[Lekovic] However, every army, and the Croatian Army is no exception, has two options: continuing war or ending war.

[Decak] Clearly. But now you are probing into military secrets. Nothing is being left to chance. Not the current situation, nor a possible future one.... the first, second, third, fifth variants.

[Lekovic] International military monitors are surprised at the speed, the way, and the quality with which the Croatian Army was constituted, even though it was actually trying to organize itself while being engaged in war operations.

[Decak] This only supports my statement that we really used the experience gained during the war when we were

organizing the army, but it also speaks for the quality of the high-ranking officers who came over to our side and put themselves at our disposal. People who have not given deep thought to the problem do not believe that the former Yugoslav army was a good army. However, that army, like any other army, had its identity, and it collected experience and knowledge just like any other army. These people, who put themselves at our disposal, were of great use to us, and I would like to use this opportunity to thank them for everything. Otherwise, without such expert assistance, we would still be running around in circles, like geese in a fog.

[Lekovic] What will happen to the large number of former Yugoslav People's Army barracks left in Croatia?

[Decak] All property belonging to the former Yugoslav People's Army came under the control of the Croatian Government, which in turn, passed a decree thereby handing over all control of this property to the Croatian Army. Whatever is needed, and I am talking about the present moment, will remain in the hands of the Croatian Army. We are of the opinion that the Croatian Army should not be in urban areas. The future development of barracks, garrisons that is, places where the Croatian Army will be quartered in the future, involves the opening of new localities. This, of course, means construction work, and in the present situation, Croatia cannot handle such a financial burden. So, for now, we will use the existing barracks, but we have already marked the areas where the Croatian Army will be quartered in the future.

A State With Two Armies Does Not Exist

[Lekovic] Talking about the "case" of the parliamentary deputies and leaders of the Croatian Rights Party, accused of organizing paramilitary formations, the military prosecutor, Mr. Baksic, said a couple of days ago that members of the Croatian Defense Forces would not be prosecuted. What are the status, the rights, and the responsibilities of these people?

[Decak] I think that the Messrs Paraga, Djapic, and Prkacin [paramilitary leaders] should be called to account for the simple reason that, sooner or later, two armies in one state are bound to come into conflict. On the other hand, by legalizing the paramilitary formations, we would be playing into the hands of those troops that are still attacking Croatia. I am in favor of, and I believe it will soon be legalized, the order of the commander in chief and the President of the Republic, that every individual who participated in the war, regardless of the way in which he was mobilized, whether on party lines, official mobilization or as a volunteer, should have the same rights. That means that the members of the former Croatian Defense Forces, since the Croatian Defense Forces are not present in Croatia any more, we are now a unique Croatian Army, will be able to exercise the same rights as those exercised by all the other members of the Croatian Army.

The Croatian Army in Bosnia-Hercegovina—a "Hoax" of the Enemy

[Lekovic] Croatia has been internationally "penalized" because of allegations that members of the Croatian Army are fighting in Bosnia-Hercegovina. Have you, in your capacity as deputy commander in chief of Croatia's General Staff for Land Forces, received any such complaints and, if so, from whom?

[Decak] I hereby responsibly state that Croatia does not have troops outside the territory of the Republic of Croatia. This is an easily recognizable "hoax" on the part of our enemies, who want to balance out the responsibility between the Croats and the Serbs for the aggressive warfare. Our activities do not extend into Bosnia-Hercegovina, although it is our sacred duty to help Croats who are outside our territory. This help is in no way surrounded by fighting, so to speak, because we respect, as the internationally recognized state we are, all the rules set before us. We should not allow ourselves to be provoked, and I believe that those who matter internationally have already come to the conclusion that everything that comes from the aggressor should be taken with a pinch of salt, because so far, every one of their accusations—just remember, a couple of days ago, the accusations against General Anton Tus [head of the Supreme Command of the Croatian Army], and those against General Janko Bobetko [commander of the Southern Croatia Military Front] at the last meeting with General Ratko Mladic [Bosnian Serb commander] in Sarajevo—has not had a basis in anything.

The Croatian Army will defend the state territory of Croatia, and it has no intention of extending its operations onto the territory of the internationally recognized state of Bosnia-Hercegovina.

Parliamentary Committee Head on Security Issues

AU1612133292 Zagreb VECERNJI LIST in Serbo-Croatian 7 Dec p 5

[Interview with Luka Bebic, President of the Parliamentary Committee for Internal Policy and National Security, by Dunja Ujevic; place and date not given: "Let's Do Our Dirty Laundry at Home"]

[Text]—If, in those times, Luka Bebic had been what he is today, ordinary people would have given his office windows a wide berth. For reasons of God forbid and just in case [sentence as published]. Because you never know what the eye might spot or the ear pick up from even the lowest whisper.

Today, Luka Bebic is the number one man of the Parliamentary Committee for Internal Policy and National Security, a committee that controls the activities of the Defense Ministry, the Ministry of Internal Affairs, the Ministry of Justice, the Pardons Committee, and the Service for the Protection of Constitutional Order.... But nothing, not even the fact that (at least formally) he controls Josip Manolic [National Defense

Council member], can make conversation stop when he appears. Neither the fact that he is in charge of "those things", nor the myth about a secret police force, absolutely nothing. Simply because Luka Bebic, according to his own personal definition, is neither an eye nor an ear, nor can the clock be turned back.

At the last parliamentary session, deputies were given the chief of police's report concerning civil security in the state, but the debate kept teetering between this and the general security-political situation. The result: a new debate on the "state of the nation" will be introduced in parliament.

[Ujevic] Mr. Bebic, the sole fact that parliament gave in to the request of the opposition which demanded that a new debate be introduced about the general security-political situation, says something about the general situation. Is that not so?

[Bebic] That was to be expected in parliament. We have just introduced one aspect of security. It just could not happen that the whole debate would remain within a "police" framework, but a whole complex of internal and external policy had to be introced. I believe that the request of the deputies regarding the introducing of these issues is completely justified. True, not so long ago, parliament listened to President Franjo Tudjman's report on the state of the nation, but things are happening so fast that it is necessary for parliament to hold a separate debate on the basis of reports from government institutions.

[Ujevic] After all, opposition representatives in parliament are parliamentary deputies and they have a right to the relevant information. At least that is the way it should be, before someone tells them that they are talking nonsense, because they have no information. True?

[Bebic] Not one party, not even the ruling Croatian Democratic Union as a party, needs all the information. There are elements of internal and foreign policy, in any country, and especially in a war or semi-war situation, that lie within the domain of state policy, discretion, state secrets. If you lose this secrecy, then you lose an instrument for conducting state policy. Of course, this should not be mystified, but a certain discretion should be retained to the extent that is proportionate to the realistic needs of every sovereign state, especially in a state that has been "reduced" by war, foreign troops, refugees and the like.

[Ujevic] Is this your belated answer to Vlado Gotovac [Croatian Social Liberal Party leader], who asked who is the person to decide what can be said, where and when it can be said, and what must not be said? Furthermore, who establishes the criteria according to which something is, and something else is not in the national interest?

[Bebic] We all establish this criteria equally, and we are all individually responsible. In this matter, we do not divide ourselves according to party membership, because we are talking about responsibility toward the state. However, the question of whether we have enough of a sense of proportion when discussing state matters is a different thing altogether. We all have a lot to learn in this case, hopefully without making too many mistakes, since they are costly.

[Ujevic] How is it then possible to hold a relevant parliamentary debate on the political-security situation in the country? It would not be the first objection raised that the deputies, including those of the Croatian Democratic Union, are just being given a toy to play with, while the real questions on which concrete decisions are made, remain within the realm of the unknown?

[Bebic] It is possible to hold a debate, within a global framework of course, such as would provide a general insight into the problems. It is advisable to discuss personal weaknesses as well, all the while taking into account the geopolitical and military position of Croatia. This is what I want to say: it does not matter whether I am Scottish, Welsh or Irish, because in France I am an Englishman, and no one there will know whether I am a Labor supporter or a Conservative. I leave that "for home use", and I will most certainly do my dirty laundry at home. I cannot understand how someone can look for an arbitrator outside the country for matters which are our internal issues, as if he were not familiar with all the blackmail we are exposed to. Thus the responsibility for public speech is greater.

[Ujevic] Let us go back to the issue of citizens' security. Figures from the Ministry of Internal Affairs show that crime is on the rise. Are you at risk if you live in Croatia?

[Bebic] Under the circumstances, you could even say that the situation is relatively good. People have armed themselves, and a lot of those arms are still not under control. Many soldiers have been arrested, and the incidence of a "Vietnam syndrome" is not rare. Many people fell physically and mentally ill in the course of the war. There are an enormous number of refugees, both from Croatia and from Bosnia-Hercegovina. Moreover, we must not lose sight of the social situation. Given the circumstances, the police and the security forces are really doing the best they can.

[Ujevic] Since you have already mentioned the social situation, I would like to ask you something: in spite of everything, life in Croatia is still functioning. This is still far removed from the stories about the hungry years of World War II. Can we conclude from this just how big the price of Belgrade was?

[Bebic] In prewar times, when Croatia was grossing $15 billion, about $10 billion somehow found its way to Belgrade. As soon as we got Belgrade off our backs, we were able to finance the war, prevent great shortages, and create some kind of a basis for survival. This is a phenomenon. The West is probably also surprised,

because they did not think that Croatia could be so resilient, and they believed that it would soon go back to being a part of Yugoslavia.

[Ujevic] There are two formulations in Mr. Jarnjak's [internal affairs minister] report which especially irritated the deputies. One of them says how "the war has been victoriously brought to an end", and the other one describes areas "that are not totally under the control of Croatian authorities". What does that mean—"not totally"? Are they or are they not? Moreover, why are things said about the war that people do not feel?

[Bebic] Globally, the war in Croatia has been victoriously brought to an end. We are enduring the consequences of retribution from the enemy in the border areas of Croatia, and the international community has, by way of the Vance plan, limited our ability to exercise all the functions of the state. This is the consequence of the balance of power at a moment when Croatia was not strong enough to effect her liberation on her own, while the enemy was not strong enough to continue the offensive. We are pretty dissatisfied with the results of the United Nations Protection Forces' activity. We are going to be correct, and wait for the situation in the field to be brought to the point designated by the Vance plan. We will do our bit, and then, if things are still not functioning, the Croatian Army will do the job. We really do not want new casualties, but we cannot just give up a part of our territory. Anyway, maybe the Croatian Government will ask the UN Secretary General to withdraw some of the important people in the Peace Corps who are responsible for not implementing the Vance plan, and who are covering up their inefficiency by looking for microscopic mistakes on our part.

[Ujevic] Could you be a little more specific?

[Bebic] I am sorry, but I cannot be more specific.

[Ujevic] Can you tell me what happened to that phantom UN Resolution, from the end of July, according to which the peacekeeping troops were apparently supposed to be deployed on the border between Croatia, Serbia, and Bosnia-Hercegovina? Great pomp surrounded this resolution in Croatia, and then suddenly it was forgotten. The Muslims in Jeddah have now asked for just that and Vance and Owen have refused. What really happened to that resolution?

[Bebic] I am afraid that such a resolution, which was dodged in July, and which would have been effectual at the time, would now be aimed against Croatia rather than Serbia. To a certain extent, this includes the naval blockade in the Adriatic. They are monitoring our ships down there.

[Ujevic] People are afraid that the international community might legalize Serbia's conquests and make the "krajinas" legitimate. Does this fear have any basis in reality?

[Bebic] No. The world would do this without too many problems if it concerned only us. However, this precedent would aggravate a number of existing and potential focal points throughout Europe. The international community has to think about Northern Ireland, the Tyrol, Corsica, Brittany, the Basque Provinces.... And if they did try it, there is always the Croatian Army. No one should foster illusions that the Croatian Army will lay down its arms. The Croats will not be a militant people who will threaten their neighbors, but we are never again going to be disarmed. Moreover, no matter what it costs, we are going to create a modern, efficient, and relatively small army, which will be ready at all times to strike on any part of Croatian territory which might be endangered.

[Ujevic] Croatia is not safe as long as there is a war in Bosnia-Hercegovina. Are those opinions well-founded that say that our policy has not found the right way to explain to the international community that we are right in expressing our interest in the situation in our neighboring republic?

[Bebic] When the Croatian Defense Council captures a village, then it is said that Croatia is capturing and dividing Bosnia-Hercegovina with the Serbs. When the Croatian Defense Council leaves Bosanski Brod or Jajce, then "the Croats are betraying the Muslims". Is there any position that the Croatian Defense Council could take, that would be acceptable and not suspicious? When we remember what the preparations for defense in Bosnia-Hercegovina were like, and what kind of negotiations the Muslim leaders had with Serbia, then the question is, what kind of Croatian policy was possible in Bosnia-Hercegovina? First, it had to protect the Croatian people in Bosnia-Hercegovina, which, to a great extent, it managed to do. At the same time, it had to negotiate with the Muslims about joint military questions, which, owing to the fact that the Muslims were poorly equipped, was a burden for the Croatian Defense Council at the very beginning. Had certain Muslim leaders been able to come to some kind of political agreement with the Serbs, the problem of the Croats in Bosnia-Hercegovina would have been totally relativized, if not completely brushed aside. Why then, are these same "negotiators" surprised when the representatives of the Croatian Defense Council from the Croatian Community of Herceg-Bosnia negotiate with the Serbs, and why is it only then that the "betrayal of Bosnia-Hercegovina" is an issue? What happened earlier was not a betrayal? This is really extreme cynicism against a people, the only people in the beginning to offer armed resistance to the occupation of Bosnia-Hercegovina, and whose mother country Croatia was the first to acknowledge its sovereignty.

[Ujevic] How did things actually end wi'. the military union of Croatia and Bosnia-Hercegovina? Does this union have any practical value?

[Bebic] First of all, the authorities there have no jurisdiction over their own territory. Izetbegovic has accepted this union in principle, but does he have the

instruments and the authority to implement it, and was he willing to do so at all? This is totally unclear to me. It is true, however, that lately the situation has become a little better, and we hope that both the Muslims and the international community have been able to understand certain things.

[Ujevic] A year ago, while you were the Minister of Defense, you were the first person in Croatia to say that Serbia would cause World War III. Are you still of that opinion?

[Bebic] Yes. The next phase could very well be Sandzak, Kosovo, and Macedonia, and that means that Albania, Greece, Bulgaria, and Turkey would be involved. And when Turkey becomes involved in possible conflicts, then it is not a European war any more, but a world war.

[Box, p 5]

It Is Not One Man Who Does All the Deciding

[Ujevic] The complaint that in Croatia just one man makes all the decisions is an unavoidable focal point of the opposition's criticism. Not one parliamentary session has passed without this topic coming up. What will happen when there is a debate on national security. What will you say to that?

[Bebic] First of all, it is not true that only one man makes all the decisions and conducts policy in Croatia. This is why if we set out from the point of what kind of a conglomerate we managed to extricate ourselves from, if we take into account that we were robbed, occupied by a non-Croat army and police force, scattered around the world in order not to be in Croatia, if we set out from that premise, then it is clear why we created a semi-presidential constitutional model. With this model, we created a center for making decisions at a time when decisions had to made quickly, and they had to be daring and far-reaching. The quantity and quality of the relevant information constitutes the foundation for balanced and intelligent decisions. In our circumstances, the largest quantity of information, having to do with internal and external circumstances, could reach one place. According to the law of probability, the person who has the most information will make the best decisions. If things were different, it would be good for other centers to have such information, so that they too can make quality decisions. Unfortunately, for the time being, this is impossible.

Smugglers and Profiteers

[Ujevic] Two questions are destabilizing Croatia's mental health. War profiteers and a general conviction that a narrow circle of people close to the government are disgustingly rich. So please show us at least one profiteer! Moreover, if this thing about some people being disgustingly rich is not true, why do you not prove that it is not?

[Bebic] Since we are talking about profiteers, I will tell you what my personal dilemma is: If, for one million dollars, I can buy five million bullets, (because that is the price), and a profiteer wants two million dollars because we have an embargo, should I pay him this amount? Well now, I will pay whatever he asks.

As far as the hoarding of wealth is concerned: we went into this conversion of ownership according to our own model, which is not ideal, and we modified it as we went along. There were no illusions that everyone would get an equal slice of the cake. Nevertheless, we wanted our people to get a part of the capital by giving them concessions when they bought shares. All kinds of things went on here, and it is possible that certain individuals managed to get disgustingly rich. Some people did not make a cent, some lost everything, and some got unscrupulously rich. This too is a matter for the police and the enforcement agencies.

[Ujevic] Well, was anyone caught? Do you have any names?

[Bebic] Without the synchronized work of the authorities at border crossings, the customs authorities, the police, the Public Prosecutor's Office, the courts, without the involvement of the whole state system, there can be no successful crime fighting, and this is especially impossible without finance police. One or two uncovered cases do not mean anything if there is no organized crime fighting system. The solution lies in finance police, which I envisage as a "squad of people who cannot be bribed", and who would be ready to intervene on any part of Croatian territory at any given moment.

[Ujevic] However, when in parliament the accusation is heard that a handful of people are turning Croatia into a private business, is it not then a dishonest ownership conversion program that is being alluded to? Would it not be logical to deny this, and by showing receipts?

[Bebic] No one can steal through the ownership conversion program.

[Ujevic] Why not?

[Bebic] He just cannot. You can steal just prior to an ownership conversion, by milking a company dry, or you can steal by laundering money. This is what needs to be controlled.

Mesic Meets European Parliament Delegation

93BA0345F Zagreb NOVI VJESNIK in Serbo-Croatian 26 Nov 92 p 4

[Article by the Croatian News Agency: "The Serbs Will Not Stop"]

[Text] Zagreb—Stipe Mesic, president of the Assembly of the Republic of Croatia, on 25 November received in Zagreb a delegation of the European parliament headed by Paraskevos Avgerinos, chairman of the Committee for Foreign Affairs and Security.

Stipe Mesic expressed Croatia's readiness for cooperation and integration into European processes, adding that the Croatian Assembly is now adopting a large number of laws compatible with European laws. He emphasized that Croatia wants open borders and a business-oriented and market economy, adding that Europe's regional development will make it possible for every nation to live "within its own body, so it will not matter to members of any nationality on what side of the border they live."

He stressed that the world is making efforts to eliminate the consequences rather than the causes of the crisis on the territory of the former Yugoslavia, and he added that the international community has been believing Serbian President Slobodan Milosevic's statements to the effect that he does not want anyone else's territory, but only to protect the Serbs. "There are no interethnic or interfaith conflicts here, just as there is no civil war, but it is a case of Serbia's aggression," Mesic concluded.

Turning to the course of Yugoslavia's disintegration, Mesic recalled that Serbia responded to the proposal of Croatia and Slovenia for creation of a confederation with war and warned that the war will last until Europe sees this problem as the problem of Croats, Muslims, Albanians, and Serbs. He added that escalation of the war and its spread to neighboring countries of Europe would inundate several million people.

Arguing that the Serbian Army will not return to its borders so long as the Serbs are homogenized by the idea that they can hold someone else's territory, Mesic said that the only solution, and also the obligation of the international community, is to carry out action against Serbia, recalling at the same time that the world has taken away from Croatia and Bosnia-Hercegovina the right to defend themselves.

The chairman of the delegation of the European parliament said that during its visit to the Republic of Croatia it would try to become more familiar with events in Croatia, and he expressed concern because of the military operations in this region and also the possibilities of their spread.

Mesic answered a number of questions of delegation members about relations with Bosnia-Hercegovina, Slovenia, Serbia, and the "FRY [Federal Republic of Yugoslavia]," as well as about the position of Croatia toward the UNPROFOR [UN Protection Force] and possible military intervention of the international community, and also about the possibilities for Croatia's integration into Europe.

On 25 November, the delegation of the European parliament also talked to members of the Foreign Policy Committee of the House of Representatives of the Croatian Assembly, headed by Dr. Zarko Domljan, vice president of the Assembly and the committee's chairman, concerning the situation in Croatia and Bosnia-Hercegovina, and particularly Croatia's position and its integration in Europe and the problem of refugees and freedom of the press.

The conversation was also attended by Janko Vranyczany-Dobrinovic and Ante Cicin-Sain, ambassadors of the Republic of Croatia, and EC Ambassador Mark Janssens.

Parties Negotiating To Form New Government

AU1612204492 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 16 Dec 92

[Excerpt] At today's news conference, Slovene Prime Minister Dr. Janez Drnovsek commented on the cabinet's work prior to the formation and endorsement of the new government. He also spoke of the possibilities of forming a coalition of the three biggest parties. Concerning the first topic, Drnovsek said that there will be no increase in prices that the present government is responsible for until the formation of the new cabinet. Regarding the new government coalition, he expressed hope that the Christian Democrats will nevertheless decide to take part in the coalition, which will also consist of two other major parties, as well as several minor ones. Vesna Burnik reports:

[Begin recording] [Burnik] Dr. Janez Drnovsek believes that it is practically feasible to form a government, but only if he is the prime minister-designate. If he does not succeed with the so-called major coalition, then there is still the option of the minor coalition, which is better than holding new elections. In his opinion, previous talks with the leaders of the parliamentary parties, except the Peoples' Party and National Party, give hope for the formation of a government, which would consist of the Liberal Democrats, Christian Democrats, and United List, along with the Democrats, Greens, and Social Democrats.

The leadership of the Liberal Democrats also believes that such a coalition would be best because it would result in a firm government capable of formulating and performing difficult tasks aimed mostly at the economy.

The deadline for the parties to take their stance toward this proposal is 19 December. Dr. Drnovsek also said:

[Drnovsek] However, if any of the parties would not like to take part in such a coalition for one reason or another, then we will continue talks with the remaining parties—that is, the parties that do not put forward mutually exclusive conditions. Such a coalition and a parliamentary majority gained in this way would, of course, be smaller and less convincing than the ideal majority. However, we have no other choice but to form a government with the coalition partners who are interested, willing to cooperate among themselves, and willing to assume the responsibility for Slovenia's development in the next period.

[Burnik] Dr. Janez Drnovsek particularly stressed that we need a new government as soon as possible. The new government will have, at the most, 15 members—that is, it will be smaller than the present government. He, therefore, expects that the coalition agreement will be reached before the first session of the new parliament [23 December]. The proliferation of the present situation and temporizing the agreements would have an adverse effect on the economic situation. [passage omitted] [end recording]

Serb Community Holds Assembly To Discuss Status

AU1312165892 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 13 Dec 92

[Text] The Serb community of Slovenia held an assembly in Ljubljana. Dragoslav Kosaric reports:

[Kosaric] The opening speaker at the second regular assembly—which discussed the current social and economic position of Serbs in the Slovene state, the ways for preserving national and cultural traditions, and the development of friendship between Serbs and Slovenes—was Dr. Nikolic, head of the community.

In addition to 62 delegates from the Serb community, the assembly was also attended by the Serb Societies of St. Sava from Kranj and Nikola Tesla from Postojna, which will soon join the Serbian community. The assembly participants stated that in order to secure financial resources for its work, the Serb community of Slovenia is opening a Serb trade center, which will influence to a large extent the general activities of the Serb community in Slovenia, ranging from those dealing with the issue of the status of the 47,000 Serbs who today live and work in this republic, and most of whom are citizens of Slovenia, to those concerning the preservation of the national and cultural identity.

The assembly was also attended by the representatives of the Serb community for Istria and Gorski Kotar, President Zdravko Radovic, and head of the Executive Council Vaso Ogrizovic. Greetings telegrams were sent to the assembly by the international community of Serbs, the ministry of the Serb Government for relations with Serbs outside Serbia, and the editorial board of ODGOVORI, which is made up of expelled Serbs and journalists from Croatia and Bosnia-Hercegovina.

Within the Slovene news media, only the STA news agency and the Italian-Slovene daily REPUBLIKA reported on the assembly. It is surprising that correspondents from Belgrade newspapers did not follow the work of the assembly.

Federal

Election Campaigning To End on 18 December

LD1712094492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1728 GMT 16 Dec 92

[Text] Belgrade, 16 Dec (TANJUG)—The Federal Electoral Commission has issued the following statement:

"In accordance with the provisions of Article Four, Paragraph Three of the Law on the Election of Federal Deputies to the Chamber of Citizens of the Federal Assembly, a preelection silence, that is the cessation of election campaigning via the public information media and public meetings, begins 48 hours before the day of the elections, which means at midnight between Thursday 17 and Friday 18 December. The provision also covers the publication of information in newspapers appearing following the deadline with regard to events connected with the elections which took place before the beginning of the preelection silence."

Government Withdraws Army, Defense Laws

LD1612174792 Belgrade TANJUG in English 1634 GMT 16 Dec 92

[Text] Belgrade, December 16 (TANJUG)—The Government of the Federal Republic of Yugoslavia on Wednesday [16 December] withdrew the Army and defence draft laws after assessing that the objections and amendments made in the Yugoslav Parliament so far essentially changed the content of the drafts.

The government requested the federal parliament to cease debate on the two drafts.

The objections and amendments made in the parliamentary debate relate mostly to the sections providing for complete shifting of the country's defence from the republican to the federal level.

To avoid a possiblity of the Yugoslav Army finding itself without a legal status after January 1, and consequently without funds, of which the Army and the Defence Ministry have warned, the government on Wednesday submitted to parliament a draft law on the financing of a programme of army transformation over the 1993-95 period.

The draft is expected to be adopted by the end of the year and to go into effect on January 1.

Under the draft, 1,050 billion dinars will be earmarked from the federal budget next year for the transformation of the Yugoslav Army into a modern and professional army.

General Assesses Arms Industry Situation

AU1612144692 Belgrade POLITIKA in Serbo-Croatian 6 Dec 92 p 10

[Report by Miroslav Lazanski: "We Are Equipping the Yugoslav Army on Our Own"]

[Text] With the breakup of Yugoslavia, some vital munitions plants remained in the secessionist republics. In this way, the technological and production chain of the munitions industry, which was among the top 10 international manufacturers and exporters of modern military equipment and weapons, was broken. The new Yugoslavia's primary task, especially in view of its international position, was to establish the production of certain combat systems [borbeni sistemi] that had previously not been manufactured in Serbia and Montenegro. In order to learn the extent of success in this endeavor and what problems the weapons industry faces, we talked to Lieutenant General Milorad Dragojevic, mechanical engineer, full professor at Belgrade University, and assistant to the defense minister for military-industrial matters.

Dragojevic is the designer and developer of the M-84A tank, which is one of the three best tanks in the world.

The Explanation of a Former Politician

After World War II it was decided that the fundamental elements of the weapons industry should be situated in the central part of the country. Owing to this, and to a subsequent series of problematic decisions, the final distribution was irregular, says Dragojevic. He says that it is unbelievable that the most vital plants were built in regions where certain ethnic groups were dominant. Dragojevic recently got an explanation for this, from a former politician who tried to explain by saying that "these enemy territories were important to our movement. They had to be won over by building new plants. The poverty stricken areas, where the movement was strong, did not have to be won over to the side of the new authorities." Figures show that toward the end of 1990, the 80,000 people employed in the weapons industry were distributed as follows: 41.8 percent in Bosnia-Hercegovina, 1.2 percent in Montenegro, 43.8 percent in Serbia, 7.5 percent in Croatia, 3.4 percent in Macedonia, and 2.3 percent in Slovenia. Expressed in terms of fixed assets, the weapons industry in the Republic of Yugoslavia, constitutes 48 percent of the capacity of the former Socialist Federative Republic of Yugoslavia.

Considering the international position of our country, Dragojevic stresses that "even under economic blockade conditions, the military-industrial sector must ensure that the Army has supplies which are, at the moment, crucial to its combat readiness."

According to Dragojevic, the industry of Federal Socialist Republic of Yugoslavia comprises 14 specialized plants for the production of weapons and military

equipment, 11 other organizations that assist significantly in this production, and several hundred subcontractors who support this production in certain ways.

The industry has the capacity for producing gunpowder and explosives, small arms and ammunition of every type and caliber, mortar shells, ballistic and guided missiles, most engineering equipment, nuclear-biological-chemical defense equipment, anti- aircraft guns, ammunition and missiles, air-to-surface and air-to-air missiles, bombs, training aircraft, important communications components, electronic equipment, and logistical supplies.

Quite some time before the blockade began, there were many foreign missiles in the Republic, tens of thousands of them, that were not compatible our "oganj" system. They were of different caliber, longer in size, and the firing mechanism and locking system were different. The Army purchased these missiles at a very reasonable price and experts from the Military Technical Institute (the same ones that developed a whole array of missiles, from the infantry variant to the "orkan" system of .262 caliber), were able in a very short time to develop unique solutions to the problems so that all the missiles were modified at the plant which manufactures projectiles. The missiles are now in the Yugoslav Army inventory.

Asked about the amount of arms and military equipment which are being produced now in the secessionist republics, Dragojevic said that these amounts were very small. These plants were a lot more dependent on finished components, semi-finished components, and raw materials from Serbia and Montenegro than the Serbian and Montenegrin plants were dependent on products from those parts of the country. The expert teams in these plants do not have the capacity for research or modification, plus some of them are on the battlefields. Out of three important plants ("Soko" in Mostar, "Pretis" and "Pobeda"), the Army was able to salvage some of its property: technical documentation, tools, measuring instruments, finished products, raw materials, etc. A number of plants are situated in the Serbian republic [of Bosnia-Hercegovina], and the remaining plants are apparently heavily damaged.

The military-industrial sector, in cooperation with the General Staff, has already assessed the situation and submitted a proposal of equipment which should be manufactured in the Republic. This proposal has been handed over to the governments and chambers of commerce of both Republics and talks have already been held with these institutions. Their counterproposals, suggestions, and opinions have been taken into consideration. A number of companies are interested in manufacturing vital military equipment. Therefore, with the approval of the governments and chambers of commerce, expert teams are being formed (from the Military Technical Institute and the interested companies), which will make the technical and economic preparations necessary to allow decisions. The future manufacturers of armaments and military equipment will be picked through a strictly defined procedure of formulating and verifying the necessary procurement programs.

Against Political Plants

Dragojevic says that the situation is especially interesting as regards the continued manufacture of our renowned M-84A tank. Owing to the war, the last shipment of these tanks to the foreign consignee was called into question. In order to overcome this, the Consortium proposed, and the former Federal Secretariat for National Defense accepted, that the "14 October" plant finish assembling the remaining M-84A tanks, and 15 armored recovery vehicles [tenk za izvlacenje], which were not being manufactured in the country due to limited demand. Owing to the deterioration of the situation in the country and the economic blockade, the proposed concept was not realized, except that finished auxiliary systems for the armored recovery vehicles were bought and assembled in "14 October", along with some of our auxiliary systems, such as engines, transmissions and other parts.

In addition to this, the weapons industry of the Socialist Republic of Yugoslavia is currently in a very tight spot, since the export of armaments and military equipment has been discontinued. This export business took up about 30 percent of our production capacity. Because of the impossibility of manufacturing certain complex equipment, about 50 percent of our production capacity is still inactive.

The insolvency of the Army, plus a delay in payment and large unpaid claims abroad, have significantly weakened the financial potential of the plants. In spite of all this, the office for military-industrial liaison in the Defense Ministry will do everything in its power to ensure that the design and construction of new plants will be based on expert opinion, eliminating the so-called "political plants". These plants can be very dangerous later, said Dragojevic.

Ministers Brief Press on Talks With Kosovars

AU1612164192 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 16 Dec 92

[Text] Federal Minister for Information Miodrag Perisic and Federal Minister for Culture and Education Ivan Ivic held a news conference in the Palace of the Federation on the talks with Kosovo Albanians about education and culture. Vladimir Nikolic reports:

[Nikolic] The interruption in the talks was caused by conditions being attached to all specific steps. The Albanian side is making all practical solutions, including those concerning education, conditional upon on the political status of Kosmet [Kosovo-Metohija]. This issue is not in the jurisdiction of any one single ministry. This was stated by Minister Perisic, who also said the following:

[Begin recording] The Government of the Federal Republic of Yugoslavia holds the view that the status of Kosovo-Metohija is a matter of the constitutional organization of the Republic of Serbia and the Federal Republic of Yugoslavia. [end recording]

Federal Minister Ivan Ivic stated that the government has been prepared from the very beginning to incrementally deal with all problems in Kosovo. The most important issues should have been dealt with first. One of them was education, Ivic said. However, the Albanian side in Kosmet has constantly been trying to substitute the incremental with the global system of solving problems. Political demands were frequently repeated. The reintroduction of the old system in education and reinstatement of the 1974 Constitution are such examples. Negotiations cannot be conducted when there is no tolerance and fait accompli solutions are being imposed, Minister Ivic stressed.

At the end, they appealed to the political leaders and Albanian public in Kosmet to continue talks in the interest of, above all, peace and democracy. Cyrus Vance [cochairman of the Conference on Yugoslavia] was also informed about this proposal and initiative of the Federal Government.

Orthodox Editor Urges Rejection of Socialism

LD1612210492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1457 GMT 16 Dec 92

[Excerpts] Belgrade, 16 Dec (TANJUG)— Now is the opportunity for Serbs, as a sensible nation, to rid themselves of the heavy burden of socialism; and the world has callenged us: Socialism or democracy—Dragan Terzic, chief editor of PRAVOSLAVLJE, the journal of the Serb Orthodox Church, says in the publication's latest issue.

"If Serbs opt for socialism they will face even heavier punishments; if they choose democracy, the sanctions will by force of habit be lifted. It is up to us to decide: Either a better and more humane existence or be prepared to share the fate of Somalia. Now is the opportunity to clear the name of the Serb nation since Serbdom and socialism cannot go together," he says.

Professor Terzic is explicit: "Socialism damages the Serb nation in the eyes of the world."

"Any Serb who has Serbdom, his Orthodox religion, freedom, truth, justice and democracy at heart must think carefully and give his vote to the political party whose program guarantees to promote these values," the PRAVOSLAVLJE chief editor stresses. [passage omitted]

In reference to current authorities in Serbia, Terzic stresses that "the success of a policy is measured not by what it promises but by its results. The majority believed in the promises made by socialists: peace and prosperity."

"Have the authorities fulfilled their promises over these last two years?" Terzic asks, and goes on to provide the answer:

"It is clear to everyone that all that socialism has brought us is war, thousands of killed and injured who are now forced to beg, while those who drove them into the war still live in their comfortable villas."

"Instead of being ashamed of their failures and instead of asking people for forgiveness, they have the temerity to put themselves as candidates in the next elections to run the state. They have no honor, no honesty, no humanity."

Terzic ends his commentary by saying that he hopes that the people have sobered up. His message is: "Let us not allow ourselves to be cursed by our future generations for failing to show minimum wisdom and humanity at the present time. Let us not allow ourselves to continue living in these two valleys of the lepers—Serbia and Montenegro."

Foreign Minister, Syrian Envoy Discuss Bosnia

LD1712092892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1554 GMT 16 Dec 92

[Text] Belgrade, 16 Dec (TANJUG)—Federal Foreign Minister Ilija Djukic today received Syrian ambassador to FRY, Ismail al-Qadi. Djukic informed the ambassador about the Federal Government's activities in urgently establishing peace in Bosnia-Hercegovina and in arriving at a comprehensive political solution for the territory of the former SFRY. Minister Djukic emphasized that FRY supported any political solution for Bosnia-Hercegovina to be achieved on the basis of consensus of its three nations.

The Syrian ambassador conveyed the Syrian Government's firm view that negotiations and agreements reached in a peaceful way were the only and correct way of searching for solutions to the difficult situation in Bosnia-Hercegovina.

Sanctions 'Drastic' for Economy, Production

93BA0329D Belgrade NIN in Serbo-Croatian 27 Nov 92 pp 26-27

[Article by Slobodan Ikonic: "Prices—Spiral of Suicide: Before the Abyss"]

[Text] *Workers are receiving wages but not working, pensioners are being given raises from depleted funds, the mark is rising at a dizzying pace.... The bills will soon come due—after the New Year.*

Judging from Belgrade store windows, one could not say that we are doing poorly. Even citrus fruit is available. The French television channel TV5, in a recent report from Belgrade, announced that the stores have Italian

shoes, Spanish and French ready-made clothing, Slovene cosmetics, and Croatian milk. There are not even any gas lines any more....

"The impression that goods are available is false. Under normal circumstances this would be far from a good supply situation," Danko Djunic, the director of the Economic Institute in Belgrade, tells NIN. "A large part of industry is shut down, the population's purchasing power is low, and because of the wartime psychosis people are not even buying that which they could buy. On the other hand, prices are high, swollen, with inflationary expectations. Everyone is trying to wring as much as they can from this small amount of products, so that prices are significantly higher."

In Mr. Djunic's assessment, the sanctions have only accelerated the existing trend of production decline. The decline is drastic and has been caused by a shortage in intermediate goods and, perhaps even more so, by the loss of markets. There is nowhere to sell things that could be produced, while the things that could possibly be sold cannot be produced.

Three Wages—Basket

According to data provided by Grozdana Miljanovic, the president of the Council of the Federation of Independent Labor Unions of Yugoslavia, during the first three months of the blockade industrial production fell by 40 percent compared to the same period in 1991. In December, production will drop by 66.5 percent! From January to October of this year, inflation grew at a monthly rate of 60 percent! By the end of the year, the total jump in inflation will be as much as 28,000 percent. And indeed, the biggest increases have been in footwear, clothing, and food!

For the "monthly basket" alone in October (138,000 dinars), a family of four needed more than three average monthly wages (those from September, which are spent in October). Labor is losing value, and there are indications of even greater social divisions and a drop in the standard of living.

"The republican economic council and the government concluded that because of the sanctions they would not undertake full regulation. Thus, only 60 percent of prices are controlled. That was a rather courageous move, because it was expected that everyone would try to provide for himself through prices. During the first months, all prices grew less than inflation. In October, controls were lifted from another 10 percent of products," says Andrija Jovicic, the assistant to the republican minister for trade and tourism. "A rectification of disparities was undertaken. This involved electricity and the infrastructure in general. That is why the price increases were somewhat higher than others, although the total growth was much lower than the realistic level, because the functioning of the economy and lives of the population are utterly dependent on energy. The law on earnings also moves in this direction, the stimulation of people in those enterprises. The possibility is provided for additional increases in the earnings of those who increase production, and thus there are individual stimuli. This is also where results have been best. There have been increases in the production of domestic petroleum, natural gas, coal...."

Mr. Jovicic also holds the view that it is better to have production partially financed from prime issue than to support the people through social benefits from printed money. As an example, he cites milk:

"We have liberalized the price of milk in order to allow dairy dealers to raise prices based on their own appraisals. But they are subject to the obligation that milk producers receive 50 percent of the price. Now the direct producer benefits from the price as well, and we no longer have lines for milk in the stores."

At Imleko, the largest processor of milk and supplier to the Belgrade market, they have something different to say about this decision. In the words of Vlada Sparavalo, the company's general manager, the republican government has pursued the wrong policy. Milk producers and processors (dairymen) have been placed under control in order to protect the consumer's standard of living. All of this was done without other measures (bonuses) to compensate for the negative difference resulting from price regulation.

"The production bonus from 1 January to 1 October was two dinars. In one period, the producer received 21.6 dinars for a liter of milk, meaning 24 dinars with the bonus. Thus, for a 10-liter can of milk, if he receives the money immediately, he can buy two liters of mineral water, provided that he brings his bottles. In that case it is no wonder that the producer has lost interest. In this way we got into a situation where in October we have three million liters less milk getting to the dairy dealers than in October of last year. Or 100,000 liters less every day. The supply situation of which the minister speaks is a consequence of the drop in consumption. Quite simply, less milk and fewer dairy products are being consumed," Mr. Sparavalo emphasizes.

Social policy in our country has been passing by rural areas and farmers for some time now. Even the 153.8 billion dinars earmarked for the purchase of fall agricultural products and paid for by commercial banks was received by farmers after two months.

Indeed, even today many companies are not committing the funding received from prime issue to production, choosing instead to collect interest from commercial banks. Interest rates are much higher than returns from production! This economic logic is appropriate only to our region.

Interrupted Currents

"There are no economic currents. They have been severed," says Nikola Grubac, the general manager of Frikom. "Consumption has fallen off, and the social environment is disrupted. The market is narrowed. The

capacities that used to satisfy the broad territory of the former Yugoslavia, with sales in the rest of the world as well, have remained the same, but people are not being fired. The economy has become a place where overall social policy is pursued. The prices of products have become a product of these relations. In order to maintain production, bank loans must be assumed at interest rates of 60 to 70 percent. It is impossible to engage in productive production and impossible to fire workers. Energy reserves are increasing due to the uncertain supply situation. And all of this is built into the price. We are headed for the abyss. This is the system of Dante's circles. The only question is when we will arrive at the Ninth Circle."

At commercial establishments, there are complaints about poor sales. No wonder. One man's suit costs 200,000 dinars, an average pair of shoes 40,000 dinars, and the price of a meter of fabric is equivalent to a worker's wages. And once again sales on deferred payment are being introduced. The inflationary spiral is increasing.

Factor of Self-Destruction

Slobodan Radulovic, the general manager of C-Market, points out that there has been a significant drop in sales over the past three months.

"It is known that the last three months of the year are the period when people do the most buying. That is no longer the case now. Consumer purchasing power has fallen by at least 50 percent over the past three months. For some product lines, the situation is even more drastic. Some merchandise has almost stopped selling entirely: alcoholic beverages, confectionery products, most hygiene products. At the present level of production, the selection is good, and we will have no problems with goods over the next three months. Still, Belgrade is not exactly typical in this regard. Cities in the interior are much worse-supplied. The problems lie with consumption, which will also be reflected in production. Right now prices can be left alone because the market alone is already regulating them. Simply put, there is no one to buy things."

The program of the republican government is closing down the national economy, with a focus on survival. The egalitarian distribution of the 1 to 3 ratio is slowly moving toward a 1 to 1 ratio, toward a pure leveling.

"It is inappropriate to talk about how we can survive," says Mr. Djunic. "The state does not have a rational social net. Everything is reduced to ingenuity, to living at the expense of relatives in the interior, to manipulation and speculation, to savings in the unregulated banking market. By withholding this so-called minimum personal income, the state is handing social services over to the enterprises. But the enterprises, in order to "get by," are disappearing from sight. This is leading to a general collapse, and there will be practically nothing to sell in any process of privatization. The system is being destroyed under the slogan: Survive today, tomorrow, and the next day, and after that we will see what we can do. The system is being brutally demolished down to its foundations and it will be terribly difficult to reestablish it, because there is no financial discipline. But then the question of type of socioeconomic system is in place will not even be important. Capitalism, socialism, or dictatorship? A self-destructive factor is built in. That is of short duration. The population is paying the price for the system that is collapsing," explains Mr. Djunic.

Intensified monitoring of the embargo against Yugoslavia will certainly be reflected drastically in the decline in the standard of living. But workers continue to receive wages without working, pensioners get their pensions with all the increases, while the fund is completely empty.... The bills will come due only after the New Year. The Ninth Circle is closer and closer.

Serbia

Panic Says He Will Resign If Elected President

LD1612203692 Belgrade TANJUG in English 1905 GMT 16 Dec 92

[Text] Belgrade, December 16 (TANJUG)—Yugoslav prime minister and candidate for president of the Republic of Serbia at the early elections this month Milan Panic has said that he will resign as soon as he is elected.

In an interview to the Belgrade fortnightly DUGA, Panic announced that he would withdraw from politics as soon as he 'saves Serbia.'

Panic, a Belgrade-born United States (U.S.) businessman, was not engaged in politics before he took the office of federal prime minister in mid-July.

Panic has already urged the abolishment of the office of president of the two Yugoslav republics—Serbia and Montenegro—maintaining that the office of president of the federal state was sufficient.

Yugoslav President Dobrica Cosic urges the same idea.

Public opinion polls have shown that the Yugoslav prime minister is the only one of the seven presidential candidates who could threaten a reelection of Serbian President Slobodan Milosevic.

In his interview to DUGA, Panic said he was confident that very many of the people who were earlier for the ruling socialists had 'come to their senses' in the meantime, and said that he had 'reliable reports' that many socialists would cast their vote for him.

Asked if Milosevic really believed that the policy he was leading was in the interest of the Serb people, Panic said that 'Milosevic is too intelligent to believe such a thing' and that he could not believe that Milosevic could not see that the people were for radical changes.

Polls Show Close Race Between Milosevic, Panic

LD1712112392 Belgrade TANJUG in English 1016 GMT 17 Dec 92

[Text] Belgrade, December 17 (TANJUG)—The president of Serbia will be decided in the second round between the two main presidential candidates in the Yugoslav Republic of Serbia, Slobodan Milosevic [Serbian president] and Milan Panic [FRY prime minister], who will have equal chances of winning, say polls conducted by private polling agencies "MF" and "Statlab".

The latest MF poll shows that 44-46 percent of voters in Serbia, where 1,900 people have been polled in the third wave of public opinion polls, are for Milosevic and 39-41 percent are for Panic.

According to Statlab's telephone poll, Milosevic is leading by a margin, with 36.3 percent as compared to Panic's 34.3 percent.

Milosevic's popularity has slightly increased over the past month, while Panic has lost in his popularity. However, the 2.6 percent advantage is not enough for Milosevic to win in the first round.

MF's poll shows that the ruling Socialist Party of Serbia leads with 31-32 percent, followed by the Democratic Movement of Serbia (DEPOS) with 25.1 percent, the Serbian Radical Party (SRS) which might win 15 percent, and the Democratic Party (DS) 12.2 percent of the votes.

Statlab's poll shows that DEPOS has caught up with SPS and that the Democratic Party has overtaken the SRS. A coalition of DEPOS and the DS would give them 37.25 percent of the votes, while a less natural coalition of "pro" and "anti" Communists, between the SPS and the SRS, would win 37.42 percent of the votes.

MF's poll shows that the number of undecided voters is dwindling, and now stands at around 8-9 percent.

Milosevic Rejects International Pressure

AU1612210592 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 16 Dec 92

[Speech by President Slobodan Milosevic in Gornji Milanovac on 15 December—recorded]

[Text] [Crowd chanting "Slobo, Slobo!"] Residents of Milanovac! I am very pleased that I have the opportunity to visit your town and greet all of you wholeheartedly! [applause]

You know very well—all of Serbia knows—that we are in great trouble and under a lot of pressure. Regarding the trouble, there is no trouble that cannot be mastered through the joint efforts of a united people. [applause] Regarding the pressure, there is no pressure that would make us betray our country and national interests, that would make us agree to abandon the defense of freedom and democracy in our own country and the defense of the interests of all Serbian citizens and the entire Serbian nation. [applause, cheering: "We will not!"]

I am convinced of this primarily because our aims and policy are aimed at peace, democracy, and successful development of our entire country and all of its residents. These are just goals that any nation has the right to struggle for and, thus, also the citizens of Serbia and the Serbian nation. [applause, crowd cheering: "It is so!"]

They are now advising us from various worldwide capitals how we should behave in our country. In our country, we shall act upon our will as free people, and not upon the dictate by worldwide politicians. [applause, cheering: "Long live Serbia!"]

I am convinced that Milanovac and the entire Takovo region will support Serbia's interests and those of the Serbian nation. [applause, cheering: "We will!"] In the name of this, I greet you all and I wish you much success and good luck! Live long! [applause, chanting: "Slobo, Slobo!"]

Milosevic on Embargo, Bosnian Conflict

PM1712113092 Paris LE QUOTIDIEN DE PARIS in French 15 Dec 92 p13

[Interview with Serbian President Slobodan Milosevic by Guirec Marechal; place and date not given]

[Text] [Marechal] If you were defeated in the presidential elections in Serbia on 20 December, would you leave politics once and for all?

[Milosevic] It is up to the voters to give their answer, as you have just said. I think that the elections are a very good thing. If the voters place their trust in you, you must stick to your policies. Obviously that can only be done with the support of the majority.

[Marechal] Your only opponent in this election, Federal Prime Minister Milan Panic, accuses you, and he is not alone, of leading the country into political and economic chaos. What is your view?

[Milosevic] It is not necessary to give the voters an answer to that. They are well aware of the situation in their country and they see clearly that amid these death throes, this disintegration of Yugoslavia, we have so far been able to protect Serbia from the war, that at present we are an oasis of peace. We want to invest in a good economic program and a good social program.

[Marechal] Are the sanctions weakening the Serbian economy?

[Milosevic] Of course the sanctions create problems for us, but every reasonable person must realize that this embargo cannot last forever. And I think that we have the good fortune to be able to use our reserves, eliminating the irrational aspects of our economy.

We have recently increased the production of electricity and we are the only country in Europe apart from France which can export our electricity surplus. We have also increased our oil and coal production and increased mining. We cannot wait for sanctions to end before starting our economic recovery. We must carry out large-scale infrastructure projects. These projects will also be a response to the employment problems. At present, we are working on a proposed north-south highway, which has almost been completed. We are launching into a high-speed train project in cooperation with France.

In addition, our agricultural production is much higher than our consumption. We can easily survive the embargo.

[Marechal] How much longer will the war last?

[Milosevic] It could end very quickly. Because all sides say they want peace. We must therefore set up a system capable of monitoring the sincerity of those statements. At the London conference, I put forward the very pragmatic view that the three sides should pledge to receive a UN observer in each army who could monitor the implementation of the cease-fire agreements. This proposal was welcomed, but was not carried out operationally. That is a big mistake, because it is a way of very easily distinguishing the camp which is responsible for the troubles, and also observing the provenance of some units on Bosnia-Hercegovina's territory. It would be easy to see, for instance, that there are more than 50,000 soldiers from the regular Croatian Army in Bosnia-Hercegovina.

Mr. Blot, your deputy secretary of state (Jacques Blot is head of the Europe department at the foreign ministry—LE QUOTIDIEN DE PARIS editor's note) came here a few months ago and I asked him whether he knew that. He replied: "Mr. President, I even know their numbers, registration details, and ranks." Serbia is being subjected to sanctions for a so-called aggression; Croatia, however, is not being subjected to any sanctions despite the fact that the presence of its regular forces on Bosnian territory is a well-known fact.

Opposition Parties' Final Canvassing

LD1712102692 Belgrade TANJUG in English 0826 GMT 17 Dec 92

[Text] Belgrade, Dec. 17 (TANJUG)—Opposition parties in Serbia on Wednesday [16 December] called on the voters to support their programmes and vote for Federal Prime Minister Milan Panic as Serbia's president.

Panic, a 63-year-old U.S. millionaire of Serbian origin who is running for president as an independent candidate, participated in the preelection conventions of the opposition Democratic Party (DS) and the Civil Alliance of Serbia (GSS) in Belgrade on Wednesday. "Election silence" begins on Thursday midnight, 48 hours before the elections.

The Democratic Movement of Serbia (DEPOS)—the strongest opposition bloc in Serbia—officially supported Panic as a rival to Serbia's current President Slobodan Milosevic. Vojislav Kostunica, the leader of the Democratic Party of Serbia (DSS) which is a member of DEPOS, told a news conference in Belgrade the struggle for democratic changes in Serbia would continue also after the elections.

DS President Dragoljub Micunovic said he was confident his party would win more seats in the Yugoslav and Serbian Parliaments than it had at present. President of the DS Executive Committee Zoran Djindjic said Serbia and Yugoslavia should stick to their state and national interests but "without adventurism."

Vuk Draskovic, the leader of the strongest opposition Serbian Renewal Movement, told a rally in the western Serbian town of Valjevo that "only a democratic Serbia can [word indistinct] a strong Serbia, a new foundation for the unification of all our lands."

Cedomir Mirkovic, the leader of the opposition Social Democratic Party (SDP), expressed fear that the handing over of power would not be peaceful if the opposition won the elections. "It is difficult to expect that the authorities which consider themselves sent by God would accept the rules of the game so easily," Mirkovic told reporters.

Electoral Chance of Serbian Opposition

93BA0325A Belgrade NIN in Serbo-Croatian 27 Nov 92 pp 10-12

[Article by Bogdan Ivanisevic: "Our Topic: Opposition Against Itself: Running for the Arrow"]

[Text] What are the electoral chances of the opposition in a country where one out of seven voters cannot remember for whom he voted in the previous elections, the radio and television interpret Cosic's criticism of Milosevic as support of him, and farmers ask the leading opposition politician for the money that he received from foreign intelligence services? It has no chance whatsoever, one might conclude logically. Once again, the only hope lies in the fact that logic has long since been dead here.

In the Samuel Fuller film "Run of the Arrow," which was recently shown on RTV [Radio-Television] Serbia, the main hero (a white man) was given a chance by Sioux Indians—after they had captured him—to survive, whereby they shot an arrow at a distance of 100 meters and began their chase only when the unfortunate man reached the spot where the arrow "landed." First they removed his shoes, so that he was forced to run barefoot.

It could be shown that Serbia's so-called democratic opposition and its followers are running a similar race—with plenty of hope but little chance. The only question is who is tormenting them with this hope: the ruling party, President Dobrica Cosic, or the opposition itself.

After the concessions dosed out by the Socialist Party, it seemed to the opposition that the electoral conditions gave it enough room for a victory on 20 December. But the most powerful medium—RTV Serbia—continues to work artfully at annulling the effects of all the "concessions."

On Sunday, 22 November, Radio Novi Sad reported the day's news as follows: "Dobrica Cosic wants to create a new, modern, federative Yugoslavia, and thus will not run in the elections against Serbian President Slobodan Milosevic." What else could the listener conclude, other than that in an interview with POLITIKA Cosic described Milosevic as the guarantee of a "new, modern, federative Yugoslavia," and that for that reason he saw no reason to run against him?

However, Cosic announced that he would neither run nor be the standard-bearer for any opposition list. He indirectly expressed support for the opposition, and quite directly criticized Milosevic and the socialists. But that was done in a daily newspaper, which, like all print media, is read today by a limited number of people, while the television and radio interpretation of that interview helped Milosevic more than it harmed him.

And finally, the opposition. It seemed that with the creation of the Democratic Coalition (DE-KO)—with the anticipated help of Cosic and Panic—it had found the card that is a winner in all combinations. The enthusiasm lasted for all of three or four days. Not only did DE-KO disappear as soon as it was created, but the idea of two opposition lists for federal elections also fell through. The SDS [Serbian Democratic Party] and the People's Party formed the so-called Serbian opposition. The Democratic Party of Serbia withdrew from the federal elections, explaining that its field of activity is Serbia.

Opportunity Long Since Gambled Away

"Increasingly, I see events in the opposition as an expression of our mentality, and thus as something that is repeated over and over. It is hard for people to establish true communication; they cannot and will not concentrate on the most essential issues. There is one real contradiction present in our political life: While in all other former communist states the government was changed through a 'front,' in Serbia—where there is also a need for change—parties are no longer able to unite their efforts against the old regime," the chairman of the Reform Party, Vesna Pesic, told NIN. In her opinion, the 1990 elections offered a real opportunity for action based on the principle "administration on one side, everyone else on the other side." At the time, this opportunity was gambled away.

Zoran Djindjic is once again saying that his party will support a unified opposition, now in the republican elections. In local elections, the opposition in Pancevo has agreed to have one joint candidate in each of the opstina's 52 election precincts. Participating in the agreement are such diverse parties as the Democratic Community of Vojvodina Hungarians and Serbian National Renewal [SPO].

On the eve of a new attempt at unified action, the leaders of the opposition were unwilling to point to anyone's "blame" or "innocence" for the attempt with DE-KO. Thus, there is still no answer to the question of how it is that Djindjic, the day after his first talk with Panic, passionately endorsed the idea of one opposition list during a television appearance, while on the same day the chairman of his party explained that this only related to joint action in the fight for more favorable electoral conditions.

It is easy to imagine what sort of quarreling will break out if the opposition does not achieve what it hopes for in the upcoming elections either: Even now, some can hardly suppress their rage. On TV POLITIKA, Vuk Draskovic said that he "did not understand" a question about the crumbling of the opposition: "A unified opposition exists, and it is DEPOS [Democratic Movement of Serbia]," Draskovic said, while stating that "Serbia already has two fronts, a leftwing one and a rightwing one, whereby there is 'this' left wing and 'that one,' so that a coalition is possible with some parts of it."

The allusion to the Democratic Party [DS] was even more clear in the charge that "last 9 March the very people who have now pushed us into elections rescued this regime."

"Most often, citizens are indifferent about whether to vote for DEPOS or the DS; right now, many of them do not see an essential difference between them. That is why they are very disappointed that there is major friction between these groups, instead of concentrating efforts to win the elections," says Vesna Pesic. "I have the impression that we are seeing hesitation about whether or not to replace Milosevic, and that is the essential reason that DE-KO was not created. I think that there is the intention to place the ruling party and its president in the context of a 'better edition' and not to replace them."

No National Program

This theory is supported by the fact that all the polls have given an enormous lead to a unified opposition list headed by Cosic and Panic. Moreover, research by the Institute of Social Sciences shows that in mid-October 82 percent of respondents had a favorable opinion of Cosic, while the same figure was 76 percent for Panic, and 49 percent for Milosevic. Immediately before the attempt to pass a vote of no-confidence in Panic in the Federal Assembly, 60 percent of all respondents felt that the government deserved confidence, while only 13 percent thought the opposite.

With such convincing support, the federal duo had no reason to think twice. It was only a matter of their good will in leading the opposition to electoral victory. Nevertheless, Cosic abandoned this simple course.

Cedomir Mirkovic, the chairman of the Social Democratic Party, said at a TANJUG forum that the opposition should first of all create a broad-based bloc and thus "force" Cosic and Panic to head it, but some parties were too hasty with their separate electoral lists. Zoran Djindjic explained that the democrats' decision to run in the elections contained a reservation: If the other opposition parties decided to boycott the elections, then the Democratic Party too would reexamine its participation in them. It is a fact, however, that the public did not at all register this "reservation."

DEPOS chose Vuk Draskovic as the standard-bearer for its list, although in all relevant opinion polls the SPO leader occupies the next to last position among the 15 most important politicians in Serbia. The last position is reserved for the only non-Serb (and non-Montenegrin), Andras Agoston. This rating for the leader of an essentially "harmless" and loyal minority party shows that the political public is still "shaken" by national fever. That will also have an effect on the election results, so that the attitude toward the national issue is a particular challenge for the leading opposition parties.

It is more or less clear that no one has a national program. The socialists and Milosevic continuously assure the domestic and international public that Serbia has no territorial pretensions, but then statements are heard to the effect that Krajina and the Serbian regions in B-H [Bosnia-Hercegovina] will be annexed to Yugoslavia. On the other hand, the opposition does not go much further than rhetorical support of peace.

For these elections, the SPO has to a certain extent modified its original national program: B-H and Croatia must be confederalized, and then western Hercegovina should be joined to Croatia, and Krajina to Bosnian Krajina. In this way, B-H would become a state of Serbs and Muslims, and would be annexed to Serbia, Montenegro, and Macedonia in a new common state.

Poor Memory

The Democratic Party has announced that during the preelection campaign it will devote special attention to the project of national integration of the Serbian nation. This project, according to Zoran Djindjic, differs from the SPS [Socialist Party of Serbia] in its means, but not in its goals.

If the opposition parties have been paralyzed over the past two years by the monopoly established by the SPS over national themes, now it will try to convert this limitation into an advantage. By showing that only a new, democratic Serbia can defend the interests of Serbs outside the motherland, the opposition will endeavor to transform the "foreign-policy" issue into an important electoral trump card.

In the December 1990 elections, the Socialist Party made skillful use of another theme, besides the national question: privatization. At the time, voters were told that the privatization supported by the opposition meant the loss of jobs. Dr. Dragomir Pantic, a social psychologist at the Institute of Social Sciences, estimates in an interview with NIN that a major change has come about in terms of attitudes toward the transformation of ownership. According to an October survey by the Institute, one in ten respondents believes that the state should be the owner of companies (aside from major complexes, which are state property in the West as well).

"With this exception, the basic characteristic of public opinion in Serbia is great inertia. Some of the citizens who in December 1990 were inclined to an irrational approach to reality have become entrenched in those convictions. The same is true of those who even then were guided by a rational consideration of their own interests. This division is reflected in party preferences as well. The first group comprises older, uneducated, materially threatened, and rural people. They primarily vote for the Socialist Party. The second group is more inclined toward opposition parties, but a smaller percentage of them go to the polls," Dr. Pantic says.

He also cites some other, sometimes bizarre, data that indicate that in the upcoming elections the opposition will face—besides its own weaknesses—a group of voters that cherishes its own type of political (lack of) culture. Thus, for example, as many as 14 percent of all respondents do not remember who they voted for two years ago. Southeastern Serbia, where support for the SPS is the greatest, is one of the regions (besides Kosovo, Macedonia, and Greece) where the population has the most authoritarian values orientation on the world scale.

Still, our public opinion is not so unusual that certain rules do not apply to it that also exist in countries with a long democratic tradition.

"In the recent U.S. presidential election, the very appearance of a third candidate create a problem for the ordinary voter in making up his mind. In our country, the offering is such that it creates confusion, so that some voters will 'vote' to abstain, others will vote at random, and others still will vote on the basis of inertia and tradition. It seems that the opposition does not have this fact in sight, which is all the more important since there is a major correlation between confidence in leaders and deciding in favor of the parties that stand behind them," says Dr. Pantic. He also warns that our public opinion, although naive and susceptible to manipulation, is nevertheless able to recognize extreme electoral offers, such as the one about a 1,000-mark pension in 1996.

International Factor

The man who made that promise—Vuk Draskovic—is showing very little in the current campaign, aside from his amazing energy, that is reminiscent of the 1990 campaign. Then, he admitted nonchalantly that he understood nothing about economics; now he is challenging former banker Slobodan Milosevic to a TV duel in which that would be one of the subjects discussed. Two years ago he was satisfied with rallies attended by tens of thousands of people; now he is traveling to

remote areas and patiently trying to win over farmers who meet him by asking, "Where are your marks and dollars?" On the eve of the first elections, citizens were afraid of Draskovic as a war-mongering, revanchist, shady figure; now, he is trying to make voters afraid of the SPS, or rather of the sanctions that will remain in force unless there is a change in the government.

Other opposition parties have also used frightening the voters as a method in the preelection campaign; besides sanctions, the leader of the Serbian Radical Party [SRS], Vojislav Seselj, should also serve as a "scarecrow." Specifically, in not a single variant can the socialists alone capture more than 50 percent of the mandate, so that they can only count on a postelection coalition with the SRS. The opposition is figuring that this will keep some SPS supporters from voting for that party, because they are aware—or they must be shown—that in that way they would also be voting for Seselj.

If the fear of sanctions is of critical importance in the elections, it will prove to be the case that the international community is also a participant in them. Tomica Raicevic, a member of the Executive Committee of the SPS, had this to say to NIN about the relationship between the opposition and the "foreign factor": "It is disappointing that the opposition is not choosing the means to bring down the existing government. It would be moral and more appropriate to the democratic nature of the elections to reject this type of foreign assistance."

Not even with that assistance, Raicevic believes, will the opposition win the December elections: "The Socialist Party has the strength, readiness, and arguments to fight for the preservation of the state—which is the top-priority goal right now—and for the development of political and economic democracy."

Asked about a coalition that the current opposition parties could form if they won the elections, Raicevic said, "The recent failed attempt to unite the opposition was another indication that such a coalition would be a completely unnatural "marriage," which would not last for more than a month or two. Anyway, the opposition will not even have the opportunity to create such a coalition."

Perhaps it is not especially important, but the hero of the Fuller film—by some miracle—managed to escape from his pursuers.

Bozovic Meets Minority Representatives

LD1712101092 Belgrade TANJUG in English 2354 GMT 16 Dec 92

[Text] Belgrade, Dec. 16 (TANJUG)—Vojvodina is part of Serbia and it respects the rights of all its nations and ethnic minorities, so that there are no grounds for demands to turn this northern Serbian province into an autonomous region of any one minority, Serbian Prime Minister Radoman Bozovic said on Wednesday [16 December].

Serbia, together with Montenegro, forms the Federal Republic of Yugoslavia, created after the secession of Bosnia-Hercegovina, Croatia, Macedonia and Slovenia from the original six-unit Yugoslav Federation.

Bozovic, who met with representatives of Vojvodina's ethnic minorities in Kovacica, north of Belgrade, said that some of Yugoslavia's neighbours were inciting their minorities in Serbia to protest against their status, although these minorities did not feel wronged in any way, all with an ulterior motive.

Vojvodina has a majority Serbian population (more than 57 per cent of the province's population of two million), in addition to some 20 minorities, the most numerous single minority being the Hungarian minority (17 per cent of the population).

Bozovic said there was a trend to use ethnic diversity for political purposes. The state will help the ethnic minorities' institutions surmount their financial difficulties, but only on condition that they should remain outside politics because the state will not finance parties, Bozovic said.

He said such institutions were too numerous and suggested that their number should be reduced and only those maintained which champion the genuine national, cultural, educational and spiritual interests of their respective ethnic groups.

The representatives of ethnic minorities spoke of the difficult financial position of their institutions, especially those of the Slovaks and Ruthenians, in operating their language societies and media, stressing that minorities were loyal citizens who expected help from the state.

The ethnic Romanian representative said his contacts at a recent conference of ethnic Romanians from all over the world indicated that the rights the Romanians enjoyed in Vojvodina were unparallelled anywhere else.

UN Earmarks $5 Million for Serbia's Refugees

LD1612160792 Belgrade TANJUG in English 1413 GMT 16 Dec 92

[Text] Belgrade, Dec. 16 (TANJUG)—The United Nations High Commissioner for Refugees (UNHCR) will invest five million dollars in the adaptation of the existing facilities for accommodating refugees in Serbia and in the construction of new ones.

The agreement on the above was signed on Wednesday [16 December] by UNHCR representatives in Belgrade, Serbia's Commissioner for Refugees and the Republican Red Cross.

Around 600,000 refugees have fled to the Federal Republic of Yugoslavia since last May, when a war broke out in the former Yugoslav Republic of Croatia after its secession and since the fighting in Bosnia-Hercegovina

broke out eight months ago. Fifty thousand refugees found shelter in Montenegro and the other 550,000 in the Republic of Serbia.

Serbia and Montenegro, which have been sanctioned by the U.N. since May 30, are having difficulties providing for the refugees and any outside financial aid, which has so far been quite 'sparse', is welcome.

A total of 23 buildings for the refugees will be adapted or built with the UNHCR's money, TANJUG learned.

Republic Lowers Price of Natural Gas

LD1712073492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1440 GMT 16 Dec 92

[Excerpt] Belgrade, 16 Dec (TANJUG)—The price of natural gas is now under the control of the government of the Republic of Serbia, which today decided to reduce the price of natural gas from 284 dinars per cubic meter to 172 dinars, that is by 60 percent, representatives of the [Serbian] Trade and Tourism Ministry stressed at a news conference.

The retail inflation for November was 29.5 percent, which is below the forecast level. A similar rate of inflation of about 30 percent is now forecast for December. [passage omitted]

Government Economic Program Scorned

93BA0331C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 16 Nov 92 pp 24, 25

[Article by Jelica Minic: "Duel in the Pantry"]

[Text] *If you did not know or could not understand why the Serbian Government enthusiastically received the international sanctions, and why it is investing its impressive energy in keeping the sanctions until it gets its house in order to suit its own taste, take the document that is being circulated as the "Serbian Government's program."*

The government, during "April and May, was preparing a consistent antiinflationary development program," of which no written traces remain, admittedly. After the extensive economic programs of some opposition parties and independent groups of experts had already started to circulate among the public, seriously challenging the government's measures and the concepts that could be reconstructed on the basis of them, the sanctions came at the right time to save the government, which did not have a program and was "working" on one with a lot of pomp and noise, from public disgrace.

"The imposition of economic sanctions by the UN Security Council resolution prevented the implementation of this program, and so the government was forced to change the program's concept completely. The new program, the results of which to date are presented in this report, necessarily had to be based on completely new starting points." Here the reader, at the very beginning, is perplexed. "Implementation" of a nonexistent program "has been prevented," but a "report on the results" of another program, also completely unknown to the public, is being given. An investigation of the Serbian government's programs deserves the imagination of an Agatha Christie. That is why we will limit our modest investigative capacities to the "report from the government of the Republic of Serbia on the measures taken to alleviate the consequences of the UN Security Council's economic sanctions" dated 6 October 1992. This is the only written trace of the "results" of this clever team whose credo is discreetly slipped into a marginal paragraph on page 6 of the report: "...in view of the continuation of the economic sanctions, it will be essential to continue strengthening inspection bodies, because in a completely closed economy it is not possible to leave greater freedom for the functioning of the market."

Tons Instead of Money

Here we get into Mr. Radoman's [Prime Minister Bozovic] spectral pantry. "Achievements" neatly packaged by shelves and jars are pedantically listed. Tons, kilometers, kilowatts, people without extremities and with mental disturbances, a choir of "77 girls" from Sapac, a Serbian film in Finland, a multitude of economic criminals punished (the number of people, cases, amount of fines by types, and even "four negative verdicts"). Then come regulations, laws, decrees, in an endless series. Each ton, price, entrepreneur, and activity has clearly defined coordinates. And courts, inspection, and fines are waiting around the corner for everyone with an excess of imagination and initiative.

The government's concern and its consideration with respect to the "season of preparing food for winter" on page 5 are touching. Concern for the little man is also reflected in the last paragraph on that page, where the government informs us that the adoption of a regulation on mandatory proportions of different grains in baking bread is under way. That this concern for the citizen is effective is shown by the large number of punished concealers of goods, and the pedantically listed amounts of oil, sugar, and flour that they concealed.

The priorities in industry are designated: medicines, food, public transportation, personal hygiene. The fifth and last is the production of paper for newspaper companies and publishing companies. Oil is distributed in accordance with this, and substitution for imports is also proceeding successfully. We did not even know everything that we were capable of producing ourselves! What was not covered by the priorities was provided by the Fund for the Development of the Republic of Serbia. The Fund made an effort to carry out an ownership transformation in the restructuring of enterprises, but "socialized enterprises did not show much willingness for this type of transformation during this period." Consequently, the people do not want privatization! And the government is completely at the service of the people.

The peasants should also be happy. The implementation of 1,300 programs to revitalize villages, financed by the republic and the banks, is under way, and the return of land to peasants has been "82 percent (!?) completed." It is particularly encouraging that "classic swine plague, Newcastle poultry diseases, brucellosis, and anthrax... are absolutely under the control of the veterinary service."

The World Against Serbia

Foreign economic relations are a separate story. This is the only area in which deregulation has been carried out, and where the government has reconciled itself to the (black) market: "The number of regulations and measures regulating foreign trade and payment transactions with foreign countries has been reduced to the smallest possible level, and adapted to the newly arisen conditions, while avoiding excessive administration." Admittedly, dealers in foreign exchange and cigarettes are being arrested, but on the other hand tanker trucks are traveling more or less freely, in accordance with the government's economic program.

In this autistic program, the outside world is only an unpleasant fact of a technical nature. The environment is hostile, and accordingly, there is no mention of the concept of cooperation. There is not even a polite reference to international economic relations and the world market as unavoidable (stimulating and limiting) factors and vital parameters for the stabilization programs of any national economy.

In the area of monetary and credit policy, an entire list of increases in former budgetary allocations is requested from the Federal Government, as well as new applications that are to be financed from the primary issuance. The Serbian government is demanding that inflation be pumped up further, and we know who will be blamed. The scenario is already boring; the scene is the same, and only the actors change.

In the section on budgetary revenues and expenditures, the Serbian government is operating with the fact that public expenditures did not exceed 33 percent of the social product. According to the official data from the Public Auditing Service, however, according to the final accounts for 1991, the share of public spending in the social product in 1991 was at least 63 percent, with a trend toward a further increase in 1992. Just the expenditures for pensions, along military ones, amounted to 14 percent of the social product.

The section about employment states that during this year the number of people employed in the socialized sector declined by a modest 124,000 compared to the previous year. Then it cites the statistically more or less stagnant number of "average monthly unemployed" (675,593 officially registered) during the first four months of this year. But on the other hand, the number of people employed in the private sector is growing by an entire 12 percent! That actually means only about 10,000 people. The figure of 2,204,350 people employed, which is cited in this report, conceals about 600,000 people fictitiously employed (technological surplus, temporarily unemployed). If one adds to this the 1,145,709 retirees in August 1992 on the next page of this report, a simple calculation shows that one of the Serbian government's main "results" is that the 1.6 million people really employed in Serbian (of which 600 are in direct production) are currently supporting close to 700,000 unemployed people, about 600,000 fictitiously employed people, and more than 1 million retirees. Let us add to this the over 650,000 refugees and the accelerated war machinery, and we will get the really amazing results of an original policy. The burden that the actually employed Serbian Sisyphus is bearing on his back on his trip toward the sky is astounding in its overpopulation and its weight, and especially the infinite peace that accompanies that trip.

"Successes"

The causes of the crisis in health care are precisely defined, namely the "decline in the social product and the increased inflation, as indirect negative effects of the economic blockade." But in culture, the abovementioned girls from Sapac in Belgium, the choir from Zajecar in Montreux, an unnamed painter in Ankara, a Serbian film in Finland, and a theater from Uzice in Timisoara, have achieved a "valuable breakthrough of the blockade." The breakthroughs are pedantically recorded in this orderly pantry. They have been achieved even though (on the same page 28) "the propaganda machinery of the anti-Serbian coalition during years and decades has succeeded in establishing an anti-Serbian stereotype (?!) in several countries as the dominant image of us in the news media."

And then, the most painful topic for the Serbian government is the departure of "a number of the most talented top athletes abroad." And once again, "particularly disturbing is the circumstance that an increasingly larger number of the top athletic trainers and other experts on physical culture are leaving the country and shifting to work abroad."

On the same page 30 of these results, where the drama of Serbian science begins in the next paragraph, there is not a word about the countless top scientists, experts, and students who have left the country (Serbia). This, in contrast to the previous section, does not disturb anyone at all, and especially not the Serbian government. Furthermore, through a Freudian slip it reveals its real intentions in science: "The lack of technical and scientific literature, essential for work in this area, is being ensured in spite of the sanctions." What the sanctions do not finish off will be taken care of by someone else.

After pedantic records on hungry, sick, maimed, and crazy refugees, the government returns to its favorite topic from the beginning of this phantasmagorical report: the work of the judicial authorities. It pedantically lists all the violations and fines, in logical order: economic courts, courts with general jurisdiction, and

misdemeanor proceedings, in which it is implied that "all the people punished are entrepreneurs."

At the end of the last page, page 34, of this program-report (what is it?) a terrible doubt creeps in: This was definitely written by some Balkan spy! And who will carry all of this out? The paramilitary, of course!

Macedonia

Report, Analysis of November Riot in Skopje

Journalists' Reports

93BA0255A Skopje PULS in Macedonian 12 Nov 92 pp 9-12

[Unattributed report: "Skopje's Black Friday"]

[Text] *After the close encounter between the state and the criminal world, Macedonia has never been so distant from peace and so close to war.*

Nothing has been the same in Skopje or throughout Macedonia after "black Friday," [6 November] despite the police claim that "the situation has been normalized!" Life is peaceful, but only on the surface. The situation is depressing. It is a painful peace. The old Skopje market and "the other side" of the Vardar are kept under close supervision. This time, the merchant on the marketplace is silent, although never has an event occurred without his comments: The coffee is being drunk silently; the coffeeshops are half-empty and, according to one of the patrons, "have never closed so early"; in the restaurants people eat hastily or drink without any pleasure ("I did not see what happened, I was asleep," is the most frequent alibi formula); one does not see people gesturing or hear loud voices; currency dealers are in a "state of defensiveness"; since last Friday evening, young people from Cair, Gazi Baba, or Topaana, who have relatives "in the city," spend the nights with them if they are late going home; nor does the Roma Tavern in Mavrovka stay open past midnight. All taverns close at midnight, although until recently that is when they used to open. No longer are there throngs of people in Bit Pazar, and vendor Petre "no longer makes change for parlor games, standing on the other side of the counter, ever since that Saturday!"

It looks as though "a stage of siege" has spread throughout the entire city.... Is this a Skopje replica of Los Angeles or of Sarajevo's Bas Carsija? Has Skopje become contaminated by the Yugoslav syndrome of bloody accounts-settling out of control? The people keep asking themselves this question outloud or silently, shuddering at the thought. Fear has affected the people, and it will take a long time before calm can be restored.

The story of Bit Pazar is already familiar. However, we must not forget the days that preceded the riots. It is as though a reaction to the 41st Macedonian parliamentary Assembly may have a "historical" reverberation and "open" the Macedonian way to conflict, hatred, and war....

Quietly, the situation is being handled with "calming statements," or "calming brigades," or receiving outside help. During and after the notorious 41st parliamentary session, Macedonian and Albanian national interests gained a "structure." Since then ethnic clashes have increased and become aggravated. Led by the well-dressed coordinator Muhamed Halili, the Albanian representatives boycotted the Law on Citizenship in accordance with their principles of rejecting the most important government-legal documents of the Macedonian state. Macedonian homogeneity was achieved with the discussion on the Identity Card Law. On the one hand, overall politicization created the "Macedonian threat" (the pure state) and, on the other, the "threat to the Albanians" ("after the Union of South Africa, the Albanians in Macedonia are the most rightless population," and "the political-territorial autonomy of western Macedonia is a legitimate and legal action," according to Mersim Biljali, NDP [National Democratic Party] deputy chairman). Equally remembered will be Hisni Sakiri's predictions, according to which "different solutions would result in chaos in the state," the statement by Ferid Sadiku on "civil disobedience," and the warning by Naser Ziberi that "we have no more patience left. The cup is overflowing. Do not force us to take our destinies in our own hands." These events coincide with the tragic incident.

The events of Friday evening put Mithat Emini, the PDP [Party for Democratic Prosperity] secretary, in an awkward position. The week before the riot he had said that "according to some people, the PDP is not sincere; something else is lurking behind all these steps. Our insistence on acting through the institutions of the system, through dialogue and reciprocal understanding, is the only possible way today. Have we not learned anything from the examples of Croatia and Bosnia-Hercegovina?" And "in Macedonia everyone must realize that a dialogue with arms is not the path we must follow."

On the other hand, in his interview on Greek television, Sami Ibraimi, PDP deputy chairman, said that "Macedonia must not be recognized not because of its name but because of violations of Albanian human rights...." The voice of reason of Estref Aliu in parliament remained a "voice crying out in the wilderness," and his attempt at talking sense to the crowd of demonstrators bordered on self-sacrifice! The ethnic passion, however, seemed to have done its work, for one of the slogans was "we want war, we do not want peace!" That night seems to have deprived of their meaning Mithat Emini's words that "Albanians in Macedonia are a stabilizing factor and we must create conditions for coexistence."

The very day after the riots we spoke with one of the eye witnesses (an old automobile mechanic who wanted to remain anonymous) about the fighting in the "devil's

triangle": the Jaja Pasa Mosque, Yugoslavia Boulevard, and the overpass. "That is all we needed! This is all the work of politics. We are so busy that we have lost track of everything.... It was not the old residents of that district that built the barricades. This was done by outsiders; we do not know them! They came from elsewhere! Such is usually the case, for which reason the people say that "the first thing God takes away is the mind...."

If these events clearly prove the increased power of the mafia and of the black market in the political articulation of their interests, it is difficult to accept the claim of alleged spontaneity of events and the effect of randomness. The dramatic and brutal nature of the riots and their fiery nature, the use of weapons and the duration of the clash with police forces, and the number of foreign participants (from Albania, Kosovo, Switzerland) convincingly disproved the element of randomness. All indications are that Albanian extremism in Macedonia, with the hearty help of the Albanian diaspora that, unquestionably, does not find the participation of representatives of Albanian ethnicity in parliamentary life, in government, and in democratic processes to its liking, because of their "pacification," "encouraged" the so-called hard line within the PDP and, as far as its sister, NDP, was concerned, it merely confirmed the truth that the firm programmatic stipulations will eventually be applied. The mass organized presence of children and women in the funeral of the three Albanians was aimed at strengthening "patriotic awareness" and intensifying hatred for "the others."

A challenge may be heard spoken by Macedonians, "let the first shot be fired...," calling for the "tempest of war." It seems as though all the necessary prerequisites have been created for us, at last, to open the so oft-mentioned and, in some places, so eagerly expected "southern front!" The scenarios for and about Macedonia, whether this applies to those made in the KOS [Counterintelligence Service] "workshops," described in detail in PULS, the Serb-Greek secret talks held between Milosevic and Mitsotakis on dividing Macedonia, the Greek nonrecognition of borders, the Serbian involvement and "fraternal" help supplied by the Serbian militia during the riots were activated precisely when the European glacier had begun to melt and when the imminent international recognition of Macedonia had appeared on the horizon. Who is conniving with whom and who works for whom and who is at whose service are questions that, for the time being at least, remain in the area of speculation. This development of events justifies the statements by President Gligorov, who has persistently tried to prove to Europe that postponing the recognition of Macedonia could bring about its internal destabilization. This is obvious. Unfortunately, we are a participant in the play, but in the role of an extra!

For a number of months Macedonia has found itself in a real political and economic bind. In addition to the generated social unrest, the consequences of its tightening degenerated into the gray economy and the mafia in Skopje and throughout Macedonia, which rapidly found its right place as one of the European channels. Traffic in foreign currency, drugs, and weapons, prostitution, and the black market quite quickly led to the appearance of "separate power centers." It is unquestionable that such manifestations are also the result of the corruption of state services and the participation of individual governmental and economic entities in the black business" (based on the so-called Bulgarian recipe). This led to the creation of parallel rules, systems, and mechanisms for influencing the state striving for a broader international recognition. In turn, the economic chaos hastened the legalization of the black market on all levels. Economic and financial power, the rackets (the mafia tax), and lobbying very quickly influenced the political formulation of our interests. This merely proves that the black market, as an auxiliary derivative of the economy, will not leave politics alone! This is because when politics turns to the black market, the black marketers become politicized and develop as a strong social factor.

The 15-year-old flea market cigarette retailer was nothing but a victim of the newly set rules for making money. What complicates the situation in Macedonia, however, is the fact that the black market has acquired an ethnic aspect as well. Today this is clearly evidenced by the fact that it is predominantly Albanian ethnics who deal in the black market. The flair of the "godfathers" proved impeccable: The generated ethnic electricity was simply tacked on to the ordinary black-market environment, for in the Macedonian multiethnic space even an ordinary theft could be dressed in interethnic clothing. That was why the struggle waged by the police and the state authorities could not be won at Bit Pazar or by chasing away the petty black marketeers. It should be fought against the lobbyists and their "godfathers" and by purging their own ranks. The situation is so complex that, as a city, Skopje has not been functional for the past two years. To the extent to which "Skopje's stomach"—Bit Pazar and the Skopje Soho, the old market—will survive and continue to develop as underground institutions, along with the ethnic homogenization and national ghettoization "on the other side of the Vardar," provide suitable grounds for the gloomy projections that Skopje could turn into another Beirut!

The Ministry of Internal Affairs [MVR] qualified the Bit Pazar events as part of the anticipated and planned efforts to destabilize the Macedonian state. As part of their commitment, the security organs protected the state, the property of the citizens, and human life. Remaining unanswered are the questions of the extent to which the factor of surprise was present and what kind of intelligence did the MVR have before and during the events. The intervention of the police, assessed by the government and the ministry as within the range of its official authority, has been positively assessed by some Macedonian ethnic parties. On the other hand, the Albanians criticized it as brutal.

Paradigmatic in this sense is a statement by Jusuf Fariz, an ethnic Turk: "The issue is, perhaps, not that I was a victim to the actions of the specialists, since in a general riot it is difficult to separate the innocent from the guilty. But then why is it that although I was totally innocent, I was sentenced to 30 days in jail? Let the troublemakers be beaten and jailed, but why was this applied to us as well, who found ourselves accidentally in the eye of that storm?!" This remark is righfully addressed at Mr. Frckovski, who gave his answers to PULS to this and other questions as well in greater detail. For the time being at least, we hope that we will not be exposed in the information we obtain about the events with another Stane Dolanc, who was in charge of informing and manipulating the Yugoslav public on the issue of the 1981 Kosovo events.

It may seem heretical to say this, but perhaps this tragic event had to happen to help us realize how close we have come to a fight, to war, to the beginning of something the end of which cannot be seen in Bosnia, for the next incident could be even more bloody. We find a surprising need to smell gunpowder and feel the coldness of steel. We find surprising the "independence" of the political parties and the influences to which they are subjected, as well as the support of the environment in which they operate. Support for a civil orientation and for the defense of democracy under Macedonian circumstances will be facing another temptation in the forthcoming nationalistic euphoria.

[Box, p 10]

Errors and Sins

The people are silent and worried. Occasionally, someone will say something in the coffeeshop....

It is said that there is only one truth. That is perhaps true elsewhere but not in the case of Balkan-type situations. Several factors must be taken into consideration in the interpretation of such situations, and it is for the most sensible people to find the most sensible combination of factors. Nonetheless, this does not mean that they will arrive at the truth, particularly after the riots that broke out in Bit Pazar on 6 November.

We heard and saw something after the official reports and communications. Nonetheless, PULS tried to find out what casual passers-by, observers, and, eventually, participants in the riots were thinking, although no one "admitted" to being among the latter. To begin with, let us point out that it is not easy to make any kind of statement at the end of the day and after the events on Cvetan Dimov and Dizonska Streets, the alleys surrounding Jaja Pasa, and the streets in their vicinity, where one can still feel the tension looking at the newly replaced shop windows and the unpatched holes form bursts of bullets fired at normal human height. The people walk quickly, silently, and rarely show up on the streets. As darkness falls, they are challenged by the regular street patrols, while the coffeeshops and other public establishments hastily close for the day.

Still, we were able to collect more than 10 statements, some of which we publish here, not all, for some of them are the same as other.

A high percentage of the people with whom we spoke said that the riots involved high school-age boys. Nonetheless, some of them also told us that people of all ages participated in the riots. People of Albanian origin unanimously insisted that not a single shot had been fired on their side. However, the exact opposite impression was gained from the statements of observers of Macedonian origin, who claimed that the Albanians also fired.

Semsudin Nuredini's house is in mourning, and everything is in accordance with the strict rules of Islam. The mourning is heartfelt but restrained. The breath of the Orient is felt despite the knowledge that we are in the house of a person who died in a bloody squaring of accounts.

"Semsudin was a very peaceful man," one of his neighbors repeated to us. "He did not participate in the riots. During the events he was in his video-games store. When the firing started he closed the store and started walking to his home, which is some 20 meters away. It was then that the police appeared at the other end of the street. They fired and he was hit in the right kidney. He took a few more steps, past the alley, and then stumbled and fell. No ambulance came to take him to the hospital. It was a Bosnian taxi driver who took him to the hospital, where Semsudin died. We later learned that the police had beaten up the cab driver for having taken our neighbor to the hospital. Policemen could be found around all hospitals."

"Furthermore," one of Nuredini's neighbors went on to say, and whose statement was backed by several other people attending the "wake," "there is something else we would like to say. To the best of our knowledge we doubt that Semsudin was given medical assistance. When we removed his body form the hospital, we noticed that no one had touched the area where he had been hit, but we did see cuts on his chest and stomach, which had been subsequently stitched. My opinion is that the doctors did not do their job."

In Nuredini's house we also met one of the teachers of the boy who had been accused of being, in some way, the reason for the riots at Bit Pazar. "We were surprised by the television news," he started by saying. "I do not understand how they could say that the reason was this 19-year-old boy, when we immediately realized what was the problem. I taught this child, who graduated from the eighth grade last year. Furthermore, it was market day and the people were in the streets, where news spread immediately. The child was not accepted at the outpatient clinic. He was called a malingerer, told that there was nothing wrong with him, although he was truly hurt. He had been hit with a pistol handle and one of his hands

was twisted. However, for lack of medical aid we do not know whether it had been broken or merely twisted. This child was working for his bread. I do not know why the big ones are not being chased after, while children are being beaten. This child, in particular, was poor. For the new year the Islamic community had given him some flour and warm clothing and he had to work to sustain himself by retailing cigarettes...."

Be that as it may, all the Albanians with whom we spoke claimed that the riots broke out spontaneously, without any advance preparations, and that they were a reaction to the improper behavior of the police toward a minor who was selling cigarettes, and which subsequently spread because of the cruelty of the policemen toward the group of demonstrators. We also heard the following statement:

"This was not an ethnic quarrel with the Macedonians. Our Albanians fought the police of a state that does not behave properly toward us Albanians. They shot at us...."

In that same context, we recorded the thoughts of an older person, a Turk, an old resident of Skopje, who claimed that the old inhabitants of the Carsijata District would never have rioted, and that all of this was the work of people who had come to Skopje recently, who had not properly settled in their new environment, and had not developed good neighborly contacts with the Macedonians. "It is obvious," that gentleman went on to say, "that those who suffered the most in the riots were those who had nothing to do with them."

We found in the Carsijata area people who spoke of the rude attitude shown the police during the "cleansing," to use their term. It was precisely the police who closed down the coffeeshops, shoving and cursing, and which later charged people who, the next day, after they had been released "from that place," proved that they had been beaten. "For quite some time we have become accustomed to such things. We are familiar with the methods used by the police and my only remark is that the people who act this way should be prepared by now for what they will encounter, which is depression and discrimination...," was the essence of the statement made by an Albanian in a coffeeshop on the day the killed Albanians were buried.

The days go by and one still notices the signs of an attitude out of control. The fear is still here. One does not cross the bridge without feelings. Has Skopje already become a divided city?

[Box, p 11]

The Flea Set the Quilt on Fire

Whenever the people of Kumanovo want to mock the discrepancy between cause and effect, they usually say "she set fire to the quilt because of a flea!" It appears that our sophisticated police is acting similarly, and it may be that "for the sake of a flea" our common quilt was set afire. Efforts to convince the public at home and abroad that the reason was "commonplace" does not help much, the more so since the NDP national socialists could barely wait long enough for a reason to support the "argument" proving that the life of Albanians in Macedonia is unbearable. This cannot and (I hope) will not be accepted: Whenever the American police strikes at its own mafia no one thinks of accusing them of harboring "anti-Italian" feelings. Knowing that 99.9 percent of our domestic mafia is made up of Albanians, the NDP "assertion" that all Albanians are members of the local mafia is an exaggeration (according to them, any attack on the mafia is an attack on Albanians in Macedonia!). In this case where are the so-called liberal Albanian intellectuals to raise their voice against the NDP's distortions? Or should we assume that silence implies agreement?

The dramatic flea market events should provide the opportunity to test the ability of our government to do its job: Mr. Crvenkovski and company have failed to resolve even a single one of the problems they inherited, although they have already managed to create many additional ones! Actually, what should we think of a government whose minister of internal affairs and his deputy publicly acknowledge that there is mass corruption in the power institutions (especially the customs!), that the petty flea market cigarette sellers are not a problem and that the problem lies in the major real-socialism managers who "give them work." Why then are there no "raids" mounted against directors instead of "black marketeers?" And why is it that not a single member of the editors of MTV has been charged with committing the particularly grave crime of "spreading false information" as per Article 208 of the criminal law (announcing the alleged death of a 15-year-old boy with whose "detention," everything, actually, started)?

—Dr. Gjorgi Marjanovic

[Box, p 12]

The Tragedy of the Balkan Scenario

Friday's events were the makings of that society, based on its own scenario.

An even greater tragedy than the tragic events of last Friday in Skopje is the ugly ping-pong game that has involved us, related to the guilt and the culprits for this event. So far there has been no guilt whatsoever, no culprit or assumed responsibility, no repentance or self-blame. The guilt is always somewhere else, carried by someone else—whether at home or abroad, it does not matter. In the eyes of the police, the political parties are the culprit; to the PDP and the Mesihat, the police. To Rugova, the culprit is, most likely, the Serbs; to the Serb media, the Macedonian naivete and Albanian diabolical nature. To the Albanian Government, the Macedonian authorities, and to the Macedonian authorities the problem is the black market; to the Greeks, who else but Gligorov and our governmental immaturity are to be

blamed; to us, it is Europe's nonrecognition. All this is simple, incredible, and tragic.

So far, I have discovered the existence of six or seven scenarios, although I have no proof with which to substantiate their existence. These are scenarios according to which the events were directed either from the inside or the outside. The scenarios involve Kosovo, the KOS, the police, the PDP, both out of Tirana and Belgrade, and so on. The PDP blames the coalition and the government, which it would like even better if the police and its minister did not exist, and would find it even more convenient if the country is not recognized.

The VMRO [Internal Macedonian Revolutionary Organization] and the MAAK [Movement for All-Macedonian Action] are keeping wisely silent, probably pleased by the fact that the law-governed police state is focusing on the Albanians. According to the VMRO interview given a few days ago in Belgium, apparently the next exercise will take place in Salonika. The SDSM [Social Democratic Alliance of Macedonia] has issued no statement, since it is in power and is pleased that the spokesman for the government is the minister of police; Golubovski and Petrov are relatively satisfied with the authorities and the police, while the social democrats are developing the Cosa Nostra theory. The reformists intend to review their participation in the government since, please forgive us, we did not know with whom we formed a government, they say.

It is a fact, however, that four citizens of Macedonia have died and some 30 have been wounded. And that there was so much damage, rage, insanity, hatred, persecution, fear, and apprehension on the streets and in the hearts. It is this society that caused all these facts and events inflicted on its own citizens. The essence of any scenario in the Balkans is a receptive environment. The Friday events were generated by a society according to its own social scenario, based on its own anemic score in which our entire material, cultural, political, and spiritual poverty has been recorded.

Is it not high time for Macedonia to set aside its civic score and open the books of its civil anatomy and autonomy? No other alternative exists for its stability and peace. There is no more efficient counter option to the scenarios of destabilization, if we do not need them only as excuses for the lack of preparedness in becoming part of a civil civilization.

—By Dimitar Micev

[Box, p 12]

Ducks Are Swimming and Geese Are Flying....

Bit Pazar, From a Different Angle

Scene One: A modest rented room. Place: Sarajevo. Time: Prewar. It is way past midnight, but there is still light in the windows of houses and apartment buildings. No, it is not the New Year; naturally, we are witnessing yet another "historical" meeting of the Bosnian-Hercegovinian parliament. As I drink my coffee (the umpteenth cup), I am watching an enraged "representative of the people's will" who is waving a threatening finger from the platform, claiming that "Bosnia has forever been Serbian land and no one will be able to separate Serbs from Yugoslavia by force." The rejoinder is not slow in coming: We hear representative Sahinpasik from the "Muslim" group: "The ducks are swimming and the geese are flying and this land will be Turkish!" Well, that is enough; you have deprived me of my sleep, and the coffee tastes bitter. Thank you, I keep thinking, for the fact that this statesman is not here, for I would have elegantly thrown him out of my room. As Mele and Gjuro would say, "Good for you!" I no longer wish to acknowledge your existence at all. Wrong! That there is no salvation from the Bosnian political "bean soup" (a term borrowed from Milan Panic's vocabulary) I realized when I heard gunshots outside my window.

Scene Two: The state of Macedonia, the Assembly, the legendary 41st session. I can hear the blunder of the decade: "Skopje has always been the center of Albanian culture." I would like to speculate about how many people could get intoxicated after hearing this statement. Another representative demands that anyone who wishes to acquire Macedonian citizenship declare his belonging to the Macedonian nation. In the United States they are all Americans, but in the Balkans this kind of movie will never be shown. Perhaps not after this.

I am far from trying to draw a parallel between Bosnia and Macedonia. God forbid! Nonetheless, I am bound to note two features that have made a particular impression here of late: the unbearable ease with which tasteless statements are made and the increasingly declining threshold of tolerance.

Based on what is being heard with increasing frequency in our political life, it could be claimed that the virus of "Seseljism" has infected our tissues. Naturally, I am not referring to the semi-intoxicated and bedraggled bearded creatures but to a sociocultural phenomenon that, if not nipped in the bud, could infect not only the political scene but also our daily broadest human contacts. "Seseljism" showed its true face in the Yugoslav Assembly, when representative Gjakovic, who complained that she feels physically threatened in that building, was advised that the cure for her problem was to get herself a Belgrade club gigolo! Are we to allow in our country as well the "low blows" to become a means of attaining political objectives, ignoring the destructive power of words? I am not promoting the restoration of any speech crime, but democracy has its firm rules, the violating of which is condemned throughout the civilized world. Why then should we not develop in our country a climate in which the people will be responsible for what they say in public and in which the dignity and integrity of the individual must always be considered essential values? In that case Ferid Muhic would not have been accused without any proof whatsoever (no

such proof exists) of Islamic fundamentalism, and all sorts of troubles would have been avoided. It is as though Muhic's intellectual and scientific qualities grow on trees in Macedonia, so that anyone could pluck and use them. And instead of the entire Macedonian public taking up the defense of the integrity of the individual (I am not referring to Muhic; tomorrow this could happen to anyone else), we let (with rare exception) the professor himself respond to the attacks, although he knew in advance that he was bound to fail. It is not a question of intellect or the arguments used to defend himself against inquisitorial and bolshevik accusations. If you are "stuck" with this label, professor, no book you have read (or written) could help you.

It is a very short step from harming an individual to harming an entire nation. "I was killed by the exaggerated word!" wrote the unique Brana Miljkovic. Regretfully, we had the opportunity to prove the devilish truth of that line. A verbal war is a plea for real war, and intelligent people learn from the errors of others. If the language and style on our political stage look like a marketplace, it is no wonder that things like the Bit Pazar event happened to us!

At this point we reach the second feature of "Seseljism": intolerance. I have no intention of lecturing anyone on the French encyclopedists. However, it would not be bad to remember that we are necessarily human and only accidentally Macedonians, Albanians, or anything else. The fact that a person may be called Petko, Semso, or Siu-Caj-Xao is an absolutely random event. If I could choose, I would have chosen to be born a British lord or a U.S. plantation owner. Since no one consulted me, I was born in the Balkans, which may be my advantage or handicap, but not my ideological identification. The fact that a national affiliation develops into a political determination may be understandable (which is the case, actually, throughout Eastern Europe), but one must know that the rights of the individual (and his ethnos) are limited by the equal rights of someone else (and of another nation). Neglect of this truth inevitably leads to what the British call the point of no return. I personally had the opportunity to witness the unscrupulous poisoning of the Bosnian peoples, which turned good neighbors first into intolerant political opponents and, later, into mortal enemies. It began with words and is ending with hand grenades. That is why everyone of us should count to 10 before saying things like "ducks are swimming, geese are flying...." If this count does not help, let us remember the old Arab saying: "Words are silver but silence is golden!"

Gold, of course, is more precious than silver.

—By Pajo Avirovic

Frckovski's View

93BA0256A Skopje PULS in Macedonian 12 Nov 92 p 13

[Interview with Ljubomir Frckovski, minister of internal affairs, by Mirce Tomovski, Dzabir Derala, and Svetlana Smilevska; place and date not given: "No Order To Fire Was Given"]

[Text] *The policeman himself must decide whether to use his weapon if attacked. I cannot order him, "If you are attacked, use your weapon!"*

[PULS] At the press conference you indicated that the incident at Bit Pazar was organized from the outside and that foreign citizens of Albanian nationality participated. You then said that one can also see "Serbian fingers" here. What type of intervention are we dealing with in this case?

[Frckovski] The disturbances in Macedonia may be traced to several different foreign centers that are pursuing their interests. This cannot apply strictly to Serbia. One can find along that line, at least in these events, inspirations for the difficulties that may originate in Albania, Serbia, and Greece. The concept is the following: The Serbs are the defenders of Orthodox culture, which is threatened in Macedonia because of Albanian expansion, which, by the logic of things, totally supports the Muslim segment. Allegedly, Albanians and Macedonians cannot coexist; allegedly such a possibility is a false one, at which point the Orthodox brothers will be the first to come to our aid. This was manifested in the fact that in the initial such demonstration this concept was enacted. It was precisely at the demonstrations in front of the Assembly that we identified four or five Albanians who have always supported the Serbian views among Albanian circles. They were among the most vociferous ones. Now that the situation has calmed down, we are trying to establish the existence of such connections, although the trend is already clear. The Albanian interest, mostly that of Albanians abroad, is the following: Following the recognition of Macedonia, the latter would separate itself from Kosovo, which would remain the only enclave within the Union Republic of Yugoslavia. According to them, this would definitively abolish the Albanian area inhabited by Albanians, who will be faced with the difficult and virtually impossible option of uniting with a larger country.

[PULS] Was this incident predictable?

[Frckovski] There are increasing daily clashes between criminals and the police. So far, however, we have not been classifying them on the basis of ethnic grounds. The moment various sympathizers become tense and the first 100 people rally, they are immediately joined by the next 100. This then leads to spreading the news, which is precisely the purpose of news, i.e., to give the appearance that something could have happened but did not. Normally, in cases of such violent actions the police intervene properly, resulting in human casualties or casualties resulting from the confrontation. In such cases, regretfully, there are human casualties. This leads to the next step in the propaganda, which is to photograph the casualties, the wounded people who are dragged along by the crowds, so that not all of them end up in hospital. The people with whom we later established contacts were also not taken to the hospital. There probably were people who were harmed but were not identified.

[PULS] Can you comment on the information that some 10 days before the incident, preparations were noted, such as collecting rocks and tires and other objects?

[Frckovski] It is extremely difficult to exercise such detailed control when it is not needed, under conditions that are very frequent, in Skopje, which is the center of communications for the Albanians throughout the world and the Albanians who are citizens of Macedonia and of the surrounding countries of Albania, Bulgaria, and Serbia. On the other hand, the facts were clear. Eventually, in some parts of the city in which it is expected that something will happen, the people must be better trained and prepared to intervene. That was the only thing we could do. Otherwise it is not advisable to try to prove something that may not exist, in the absence of suitable proof. For example, rocks may be collected to build a house, tires may be collected for sale, and so on. Therefore, we cannot have absolute proof and, honestly speaking, nor do we look for any.

[PULS] How do you assess the intervention of the police?

[Frckovski] Bearing in mind the location and the relative surprise, the demonstrators became active in the afternoon, when the police force has fewer men on duty, bearing in mind the shortage of gasoline, and when it is more difficult to establish communications. It took only 45 minutes to gather together a group substantial enough to intervene. In that sense, at the initial stage, at the start of the incident and subsequently as well, no improper orders were issued. On the contrary, the orders that were issued were extremely restrained, specifically in terms of the use of weapons. Therefore, no order was given to fire at the demonstrators; the order was given to fire in the air and in self-defense, which is a legitimate action.

[PULS] Nonetheless, this entire event lasted nine hours....

[Frckovski] It lasted until about 2300 hours, when overall control was regained, with the exception of two or three houses that had been barricaded and from which people were firing at the police. If you are unwilling to enter those houses with a carrier, the most normal thing is to lay siege, fire smoke grenades, and start talking, in the case that someone may wish to come out, and thus avoid casualties. All of this lasted until about 2300 hours. The main clash took place between 1930 and 2100 hours.

[PULS] What would have happened had you been facing 30,000 demonstrators?

[Frckovski] This would have depended on a variety of factors. This is not the work of the police. With this kind of politicized criminals the problem is always bigger. For example, the parties who were asked to provide information were actually surprised by this entire affair, which proves that there was no direct participation in the organization of the demonstrators. This also indicated the attitude of the demonstrators to the efforts made by the representatives of their party to discuss matters with them. The attempt failed. Two such attempts were made but the only result was that the police were forced to rescue the people from the damaged car. The logic of the party is to be together with the masses and not against them, for it naturally depends on the masses. The matter subsequently becomes unraveled in the course of political activities and, most likely, with a further urgent search for the "truth," putting in this case the word in quotation marks....

The incident itself was such that the consequences are clear, and now we must find a way to achieve a balance. In that sense the political parties themselves are asking that the police assume part of the blame. I believe that there is no need for this situation to become politicized.

[PULS] After this incident, will that city continue to sleep in peace?

[Frckovski] It would be improper to make a 100-percent-sure prognosis. I believe that this entire event will remain merely an incident, regardless of the information we have received about some kind of preparations and collection of weapons.... The agents will determine what is simply talk and what are the facts, which will be investigated later. In any case, the entire situation is under control.

[PULS] Is there any link between this event and the events in Kicevo and Tetovo?

[Frckovski] There is a certain minimal coordination among these clashes. This network of Albanian associations is functioning, but again, on a sporadic basis. Leaflets were distributed by the VMRO [Internal Macedonian Revolutionary Organization] and the PDP [Party for Democratic Prosperity] and both used abusive language. Although this is a fact it is not all that important. These are indications that cannot be considered serious but that, in fact, are an act of testing the nature of the issues and the terrain. It is a fact that the parties will make an effort to make of this an international issue, but I do not believe that they will succeed, for in this case all the arguments are on the side of the government or, rather, the MVR [Ministry of Internal Affairs], which throughout the entire event acted properly.

[PULS] We already mentioned the abuse of authority, but did you actually anticipate the actions of the police?

[Frckovski] There was no need for this. It is the policeman himself who must decide, if attacked, whether to use his weapon. I cannot order him, "You have been attacked, use your weapon!" He must decide this by himself, on site, and if objections are raised the case is investigated to determine whether there was any abuse of power.

[PULS] There was talk of entering private homes....

[Frckovski] This must also be determined by the commanders of the individual operations. If shots are fired from a house, this mandatorily means that such houses

must be entered. This affects individuals who find themselves in the areas where trouble occurs. At that point searches are made with a court warrant, as required by the law.

[PULS] The tea houses as well were closed down....

[Frckovski] Throughout the entire area the tea houses were closed down. This was our order in order to prevent any clashes inside them. This was an act of professional caution in order to prevent casualties among passers-by or customers. Now, after the troubles, if the police are acting more rudely or not, there is nothing we can do about it. We especially impress upon the police to be correct in their behavior with passers-by and customers of coffeeshops. In this entire matter, at no point was there total control. Some individuals may act rudely while others may not. It is precisely because of the second order, that of behaving incorrectly toward passers-by, that a policeman on the other side shouted: "We are not about to bow to them!" Identifying who said that would be difficult.

Montenegro

Sanctions Impact on Maritime Industry

93BA0331A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 16 Nov 92 pp 13, 14

[Article by B. I. Milicic: "The Anchor Has Been Dropped"]

[Text] *Today Montenegrin shippers, formerly the mainstays of the republic economy, are sending workers on forced leave and demanding wages from the government.*

For a long time the maritime economy has held a high place in Montenegro's overall business activity—more than 20 percent of the total foreign exchange earnings and more than 5 percent of the republic's total earnings. Two large shipping enterprises (Kotor's Jugooceanija and Bar's Prekookeanska Plovidba), along with the Bar Port, the Veljko Vlahovic Shipyard, and other smaller firms that were directly or indirectly associated with the sea and ships in the "old" Yugoslavia have made Montenegro the "most maritime" republic. That Yugoslavia no longer exists, however, and the new one has been suffering for several months now from the UN Security Council's sanctions, especially the maritime economy.

According to engineer Radomir Mugosa, secretary of the Association of Montenegro's Maritime Chamber of Commerce, the former main source of foreign exchange earnings and one of the most developed and most promising economic sectors has found itself in an almost hopeless situation. Jugooceanija and Prekookeanska Plovidba have so far lost about $20 million, according to him.

Not even some business measures taken to save them from the international economic blockade were able to help much. Jugooceanija was forced to change the name of the enterprise, the registration of its parent port, and the flag on its ships. Since the end of May 1992, the Kotor shipping firm has been operating under the name of Milena Ship Management Ltd., with a headquarters on Malta, and its 22 ships with a capacity of somewhat more than 700,000 tons have been distributed among six foreign daughter companies, of which four are in Malta and one each is in Panama and Liberia. The Milena Ship Management Ltd. company operates according to the principles of free enterprise economics, but the American administration has blocked nine of its ships in its waters, without the possibility of sailing further, and it is not even permitting them to be supplied normally or permitting their crews to come to land.

The same thing is happening with Prekookeanska Plovidba in Bar, which has 18 ships with a capacity of 320,000 tons. It also formed a company on Malta called Rigel Ship Management Co. Ltd., which, in addition to a previously formed foreign company registered in Panama, is also coordinating the operations of three daughter companies registered on Malta. Prekookeanska Plovidba does not have Jugooceanija's definite problem of having ships stopped and blocked by the American authorities, but there is a danger that the South African Union and some Western countries may begin to apply the U.S. methods.

The problem of the Montenegrin seamen, engineer Mugosa emphasized, is much more complicated when one looks at all the aspects of their operation. For example, a ship has to be insured, and our ships have not been treated equally in this since the outbreak of the war in Yugoslavia. Even before the sanctions were imposed, we were treated as a country with a high (war) risk, and so insurance for a ship with the Association of London Insurance Firms jumped from $3 million to $9 million on that basis alone. Next, the cargoes that the ships carry are often perishable and are not protected for long periods, but sailing under sanctions means that it is not certain which port will accept the ship. In view of this, those using the ship's space extort low prices and demand that a clause be signed in advance according to which the shipper will bear the additional costs of any reloading, etc., according to Mugosa. Let us not even talk about what a lost business partner means in port transportation and the maritime economy in general. The development of these two collectives, which are models in many respects, has been halted. For example, Jugooceanija had plans to buy three ships, and would have bought back $52 million in debt (that would have meant a reduction of its debt to $21 million), but now the other parties will not even accept orders from the National Bank of Yugoslavia.

"It is quite likely," Mugosa added, "that the Montenegrin maritime companies will have to sell their own ships in order to survive the international isolation. Jugooceanija is negotiating for the sale of one of its best ships in order to settle current demands from creditors and mortgagers, and the foreign banks that were the financers of an enormous part of the domestic fleet," Mugosa said.

In order to survive in the short term the shippers have to sell part of the fleet, but the Bar Port and the Veljko Vlahovic Shipyard in Bijela do not have such opportunities. More than 3,000 employees of these two collectives could therefore be left without work. How strongly the sanctions are affecting the Bar Port's work is best demonstrated by the fact that reloading in August 1992 was only 5 percent in comparison with the same month last year. (Of the 2,053 workers, about 1,800 are on forced leave.) The same thing is true of the Shipyard, which earned over 60 percent of its income by exporting services and repairing foreign ships, but since Jugooceanija and Prekookeanska Plovidba have been reregistered, they are not able to use the services of the Yugoslav shipyard either.

All of this has forced the maritime collectives in Montenegro to send most of their workers on forced leave and demand money for September's wages from the Montenegrin Government. Of the above-mentioned four enterprises, only Jugooceanija has not yet taken that step. It will not be able to withstand the strong wave of international isolation for long either, however.

Sanctions Affect Highway Transportation Firms

93BA0331B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 16 Nov 92 pp 14, 15

[Article by A. Srdanovic: "State, Help"]

[Text] *The sanctions have finished off highway transportation; private businessmen are still holding out; without state intervention, the damages are unforeseeable.*

The numerous problems that have been tormenting carriers for a long time were the reason for a recently organized joint meeting in Podgorica of representatives of the government, the Chamber of Commerce, and the appropriate ministry in the Montenegrin Government.

The problems that have accumulated for several years in this branch of the economy were particularly manifested with the outbreak of the war conflicts in Yugoslavia and the secession of the former republics (Slovenia, Croatia), and especially after the imposition of economic sanctions against the Federal Republic of Yugoslavia [FRY] by the United Nations, as a result of which the volume of transportation of passengers and goods was considerably reduced, and thus also the possibility of earning income. This branch of the economy and the employees in it have thus been brought to the brink of survival, and are experiencing very difficult days, fighting just for mere survival. Because of the state's failure to meet its obligations, some enterprises which had started an organizational and ownership transformation also fell into serious difficulties that may also lead them to liquidation, because the current economic and political turmoil has prevented consistent implementation of the agreed-upon restructuring programs.

The carriers explained the urgency of acquiring new vehicles by the fact that the average age of the vehicles in use is about ten years, and 15 or more for some of them, which does not guarantee even minimal safety in any case, because they were ready to be taken out of use a long time ago. In order to maintain transportation somehow and earn income, however, many enterprises have been forced to conduct business even with such worn-out fleets, although they are completely aware that they do not guarantee either safe transportation or optimal earning ability and effective operation, because the vehicles' technical and technological equipment does not satisfy even the basic norms and the specified international standards that apply to all highway carriers in Yugoslavia and the world. Furthermore, the volume of the transportation of passengers and goods declined considerably after the secession of Slovenia and Croatia, and the interruption of transportation links with the former republics, and especially after the imposition of the sanctions, because it was more difficult to get supplies of oil and oil derivatives. All that has put this branch of the economy in an extremely unfavorable position. This is why there is justification for the carriers' concern, which is being increased even more by uncertainty and waiting to see what will happen unless the economic embargo is lifted soon and a possibility is created for procuring spare parts, equipment, and the necessary amounts of oil and oil derivatives from abroad. Now it is almost impossible to buy anything, and the situation is no better with respect to spare parts and equipment from the separated republics, from which a considerable number of vehicles were previously purchased (from TAM [Automobile and Engine Factory] and others). A particular difficulty is represented by the high prices of spare parts and equipment, especially in view of the fact that most enterprises do not have any money that they can allocate for that purpose. Thus, for example, as one businessman stated, in order to purchase just one tire for a bus or truck, it is necessary for a bus full of passengers to make six trips from Podgorica to Budva and back; or, one tire costs as much as the fuel for a bus or truck from Podgorica to Belgrade and back. If one adds to this the fact that a new bus costs from 150,000 to 200,000 marks, then the picture becomes much clearer, especially in view of the financial difficulties of the carriers, which cannot allocate even a single dinar to buy new vehicles; it is also impossible to do this with the amortization funds, because those funds are so small that the amounts are almost negligible at the current prices for new vehicles, spare parts, and equipment. Consequently, in this area the carriers are seeking assistance from the government, feeling that at this time they need it more than ever. "If the state does not help us in this," warned Ljubo Radovic, "in a few years we will have real chaos in the fleet of vehicles and everything will stop." Naturally, state

assistance implies not just providing the funds for purchasing new vehicles, but also the purchase of spare parts and equipment to maintain them, as well as to maintain the vehicles that are still usable.

"Another reason for assistance from the state," Radovic emphasized, "is that even with a considerably reduced capacity the carriers are still regularly fulfilling all their obligations to the state. After all, it is not in the state's interest for highway transportation to stop, because in that case all economic activity would stop, for the simple reason that it is impossible to redirect all highway transportation to the railroad. Postponing a solution to the main problems in this branch of the economy would therefore cause great damage to the entire economic life of the republic. The collapse of this branch of the economy would cause unforeseeable consequences in other industries as well, whose fate is directly linked to transportation."

"These are not the carriers' only difficulties," emphasized Ratko Djurovic, director of the Montenegrotransport Business Community. Big problems also lie in the regulations governing this area, as a result of which it is essential to amend the Law on Transportation. The amendments should try to ensure equal treatment for private and socialized carriers. For the time being, according to Djurovic, private businessmen are in a much more favorable position, because they carry passengers in minibuses and vans, and it is easier for them to obtain fuel; they are thus serious competition for the socialized sector, which—and this is the worst thing—cannot ensure a high-quality fleet, which is the basic precondition for competitiveness in the market.

Kosovo

Islamic Leaders Protest Serbian Police Harassment

LD1612194292 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 16 Dec 92

[Text] The Islamic Council of Elders [Mesihat] for Kosovo and the Presidency of the Association of Muslim Clergy of Kosovo sharply protested Serbian police harassment of Muslim believers and officials of the Islam community of Kosovo today. The contents of the protest have been passed to all international religious and political institutions.

The Serbian police, as it was stated, arrested Nedzat Ibrahimi, head of the Presidency of the Association of Muslim Clergy of Kosovo; Miftar Ajdini, head of the Assembly of the Islamic Community of Kosovo; and other officials of the religious community. It has also been preventing Muslims from practicing their religion.

Due to the latest events in the Islamic community of Kosovo, Jakub Selimoski, head of the ulema for Bosnia-Hercegovina, and Sulejman Redzepi, head of the Islam community for Macedonia, visited Pristina today. Representatives of the Council of Elders of the Islamic community in Pristina informed their high-ranking guests of the increasing pressure and torture the Serbian police perpetrate against believers and officials of the Muslim religion in Kosovo.

Selimoski and Redzepi protested such actions by the Serbian police and asked that the arrested officials of the Muslim community be released from prison and that the harassment of believers stop.

In connection with the torture of Muslim believers in Kosovo, the Mesihat of the Islamic Community in Macedonia also protested today.